

App. F. IX-4

Previous References

Later References

1926-7

(J. 0)

P-1612E

File No. 14-26

Serial Nos. 3, 4, 6-9

11, 13-16

17-23, 28, 29

preserve

General and Revenue Secretariat.

Serial Nos. Nine

Part B for Aug 29.

SUBJECT

Affairs of the Mysore Industrial Bank Ltd

J.S. File No

16

Serial
No.
3

From Mr. Private Secy. to H.H.

Memo no. 1067 transferring, for disposal, petition of Mr. Salunchnund, Banker requesting that permission may be granted to Call an extra-ordinary general meeting of the shareholders of the Mysore Industrial Bank under presidency of the Director &c, in the circumstances.

Mr. Salunchnund, Banker.
(Petition of 8.11.26 addressed to Dewan)

Enclosed Copy of the petition filed by the Shareholders of the Mysore Industrial Bank & the Registrar, J.S. Co. protesting against the Calls & forfeitures of shares and requesting that as the share-holders have no confidence in the present management of the Bank, permission may be granted to Call an extra-ordinary general meeting of the Shareholders independent of the present Directors.

1. Subd. for perusal & orders. One Mr. Chand Bapnaah also made has Subd. a for making certain allegations about the mismanagement of the Mysore Industrial & a Copy of the petition has been recd. for the Registrar of Jt. Stock Companies who has promised stated that the matter is under his attention. In that file, as ordered by a draft letter to the Registrar has been sent requesting that a report should be filed to the end of the current month.

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u The allegations made against the bank in the two petitions in these files are;--

(i) The Board of Directors consists of Mr. Manikyavelu Mudaliar, his undivided son, their intimate friend Mr. T.Lakshmiah Chetty and two others one of whom is the owner of the premises. This composition is detrimental to the Bank's interests.

(ii) Purchase of the shares of some of the European Directors by Mr. Manikyavelu Mudaliar himself and filling up their places by his own relations

(iii) The Managing Director calls for dues on shares though he has himself not paid the previous calls.

(iv) Though Mr. Mudaliar promised on 23rd November 1920 that he would take up 50,000 shares or arrange to sell as many shares, he has not done either. He has not paid any of the calls on the shares he and the Directors have taken.

(v) Loans have been granted indiscriminately without proper security.

(vi) Salamchand one of the Directors resigned as he was not permitted to inspect the books of the Bank.

The ~~petition~~ question for consideration is as to what action can legally be taken by Government or the Registrar of the Joint Stock Companies with reference to the above allegations.

Under Section 138 of the Companies' Regulation it is competent to Government to appoint

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one or more competent Inspectors to investigate the affairs of any Company and report thereon in such manner as the Government may direct in the case of a Banking Company having a Share Capital like the present one on the application of members holding not less than 1/5th of the shares issued, or on the report by the Registrar under Section 137 Sub Section (5). The Inspectors shall report their opinion to the Government who shall forward a copy of it to the registered office of the Company and a further copy shall at the request of the applicants for the investigation be delivered to the (Vide Section 141). All further action with reference to the said report should be taken either by the Company or by the share holders.

Under Section 137, the Registrar of Joint Stock Companies has general powers of inspection and has also power to call for information or explanation with reference to documents required to be submitted to him by the Company under the Regulation. When either no information is furnished or if on the information the Registrar is of opinion that the document discloses an unsatisfactory state of affairs he shall report in writing the circumstances of the case to the local Government, who on receipt of such report may appoint an Inspector as stated above. The following are some of the returns to be made to the Registrar.

- (1) Return of allotments Section 104
- (2) Filing of prospectus or statement in lieu thereof Section 92
- (3) Annual return of members, Assets and liabilities Section 32

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- (4) Notices of increase of capital and consolidation of shares--Sections 51, 52 and 53.
- (5) Situation and change of situation of registered office--Section 72
- (6) Registration of mortgages and charges Section 109
- (7) Copy from register of Directors or Managers and changes to be notified--Section 87
- (8) Registration of resolutions--Special and extraordinary.

When the above returns are submitted and they are incomplete in any particulars in respect of matter to which the returns relate further information may be called for. But when the returns themselves are complete no information may be necessary. If from the information that is available before the Registrar from the above returns he considers that the state of affairs in the Bank is unsatisfactory it is open to him to make a special report to Government accordingly and the Government may thereupon order an investigation through Inspectors. Otherwise the Government will not have jurisdiction to direct an enquiry. In the alternative there should at least be an application before Government from members holding not less than 1/5th of the shares issued. In the present case there is neither such an application by the members or a report from the Registrar under Section 137(5). It seems therefore that the Government may not interfere until either there is an application from the share holders or there is a report by the Registrar.

The Registrar may therefore be asked to

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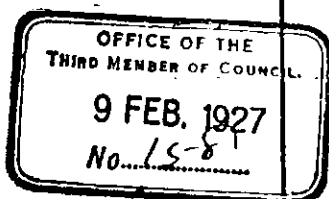
inspect th i reference to the allega-
tions and make a report whereupon the Governmen
may take further action under section 138.

Dev Sect
with Compl's.

84
572

7/2

Is A report may be called for from the Regr
as suggested by the Lth Secy - in fact Mr. Salun
chand & others seem to have sent an applica
to that officer also. In the meantime an
endorsement might perhaps be issued to
the petitioner that Govt cannot move in
the matter unless there is an application
from the holders of at least 1/5th the numb
of shares issued.



30 member)

27 9 2 27

6 UU
9/2

yes

107427 8 10 22

9 UU
10/2

16 Subs with 2 drops.

18.12.2.27

14-2-27

11/issue

15/2

7

Registers of g.s. cis, 6816 & 17.2..
Requests for an early report on the petition
along with the report called for in sl. 5

8

L. Mr. B. F. Salunchand, 6817 & 17.2
with refer to his petitions intimate the

Serial
No.

it will not be possible for the Govt to
move in the matter unless there is an
application from at least the holder of
at least $\frac{1}{5}$ the number of shares issued by
the Bank.

To Registrar of G.S. Companies.

D. 6818 of 17.2.27

Forward copy of the above.

9.

Your letter No ST69. of 18.2.1927
from Mr B. F. Saluncheund. Banker
acknowledging the receipt of this
office letter No D 6817/G.S. 44-26-8
of 17.2.1927.

From

The Registrar of G.S. Cos.

No 1107 of 25.2.27.

With reference to Serial 7 forwards a
report on the petitions of Messrs. B. F. Salunche
& Reekubchand Bapna re the affairs of the
Mysore Industrial Bank Ltd stating that
there are no sufficient grounds for his
interference in the matter & that the
matter bearing on Section 103 in Mr Reekub-
Chand's petition is also being perentimized
and that the final action that will be taken
by him on the petitions of Messrs Reekubchand
& Saluncheund will be intimated to Govt.

Subd

✓ The Registrar's further report may perhaps

Sub A

At. ref. to 87

REV. SECRETARY

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General and Revenue
Secretariat

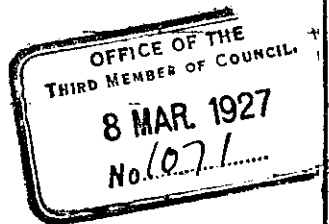
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5367
G.S. File No. 14

WD 01229-GPB -37,500-1.9-26

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of 1926.

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be awaited

Sub^o for final. Further report
may be awaited.
8/3 m)
14 yes
8/3 147
9 3 27
15 9/3

True

Mrs. Salunehend, & Co.

Bankers, Commercial Street.

Letter No — 8 19.3.27.

Inform that they have taken immediate
steps to rectify the affairs of the Mysore
Industrial Bank Ltd & hope to apply as
per order. ie sls.

Secy A.

DEVELOPMENT DEPT.

6203
 201.2.27.14-26.
 DEPARTMENT OF AGRICULTURE

[To be used only for notes, requisitions, etc., not intended for permanent record.]

V. Sundaram
 Mr. Salmuchand + all the
 signatures - the 5th note
 for this

28 37

263

of Subd:

Mr. Salmuchand had put in an
 application requesting permission to
 call for an Extraordinary General
 Meeting of the Shareholders of the
 Mysore Industrial Bank, independently
 of the present Directors.

Mr. Salmuchand was informed that
 the Govt. can't interfere in the matter
 unless there is an application from
 holders of at least 1/5 the no. of
 shares issued by the Bank.

The Registrar's further report on
 the matter is awaited.

The file is put up for kind reference.

19.3.27. *SV* *Sw D* *18* *UP*

N.B. - Should routine notes be written on small slips,
 the notes must be copied, or slips pasted on
 this form.

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No.

10

Letter No - 589-3-27.

From,

Dr. C. S. Ramakrishna,

(Chairman of the Meeting

Ripon Pharmacy

Chickpet, Bangalore

Forwards a copy of the proceedings of the Special Meeting of the Shareholders held on the 24th March & Requests for the appointment of an Inspector to inspect the accounts & to investigate into the affairs of the Bank.

Subd.

19

It is not known whether Shareholders are allowed to vote at a meeting of Company by proxy. Moreover the list of Shareholders who have given their votes by proxy is not sent in original.

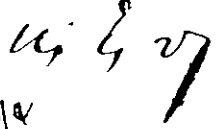
20 The letter with its enclosures ^{may} be sent, if approved, to the Registrar of Co. for remarks.



SW D)

11/9/4

22 A report was recd from the Regr of I.S. yesterday. Please put that info also

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11

No C 48/24-28.

D 11/12-6-27.

From, The Registrar of G.S. Co's
Forwards Copy of letter D 29-3-27 together
with a Copy of its enclosures sent by
Dr. C.S. Ramakoo, Ripon Pharmacy, referred
to in Sl 10. & States that the meeting held
on 27-3-27 cannot be considered as a valid
one & that proxies are not allowed in such
meetings.

25 The Registrar has informed Dr. C.S.
Ramakoo to submit a fresh application
according to Sect 138 of the Co's Regn
and States that further necessary action
will be taken on its receipt.

Subd with Refee to para 21 Supra:

1/11/27
0-11/27

1/11/27

24 Subd for permat: Further upc
may be awaited.

See D) 25

11/11/27
22/14

27 Seen
13/11/27
11 5-27

(For Sl 12 Vide linked file)

General and Revenue
Secretariat.

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of 1926.

Serial
No.

From, Dr C. S. Ramarao,
Ripu Pharmacy, Bangalore.
Letter of 16.5.27.

Forwards Copy of the letter addressed
to the Registrar of J. S. Co. in Mysore,
Submitting the application signed by
more than one fifth of the Shareholder
of the Mysore Industrial Bank Ltd, as was
required by him.

From,

Mr H. S. Jayarama Dyer, B.A. V.
High Court Vakil,

C/o The Mysore Industrial Bank
(Letter of 18.5.27.)

Secy's notes on the letter:-

Presented by Mr H. S. Jayarama
Dyer. He has been told that
no notice can be taken of
this unless he produces a
"Bakalat" (Order) N.R.
18.5.27.

14.

States that Mr Salunchari is the
Sole originator of the petition presented
Govt to appoint an Inspector & that it
is conceived in hatred & illwill & the
the object is merely to Coerce the Bank
to come to some terms with the defaulter

From,

Mr, V. Manickavelu Mudaliar,
(Petition of 14.5.27 addressed to Dewan)

States that he has brought the
Industrial Bank of the Mahalakshmi
Woolen & Silk Mills Co. Ltd, which were

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primarily floated for the development of industries of the State, to a fairly good position & requests to appoint a Committee to go into the details of the working of the Institutions as their management has caused great anxiety & worry for various reasons

Forwards Copies of the above to the Second Member & Secy, Sec Dept.

28) Subd for perusal & orders.

Second Member's Remarks on the petition addressed to him:-

29) "I think this may be considered by the Committee which will be appointed to deal with financing of Industries!"

(Initd) M. N. K.

18.5.27.

30) Kind Refce is also invited to the Member's Remarks on the petition & addressed to the Dewan.

31) It is ascertained from the E.C. Section that the scope of the enquiry of the Committee is limited to organising financial assistance to industries in upore & that the file is filed to Dewan

32) For orders.

33) Secy &

34) This petn may be rep'd
that can be after it is constituted

15
28/5/27

7987
8085

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General and Revenue
Secretariat.

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of 1926.

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No.

15. Letter No 41/27-28
From,

8 27-5-27.

The Registrar of J.S. Co.

In Continuation of his office letter No 1107
8 25-2-27 Encloses a Copy of the Reply
Received from Mr Rakhechand & States
that the allegations contained therein are
not supported by proofs & that in view of
the application since made under Section
138 for the appointment of an Inspector for
investigating the affairs of the Bank, it
is not necessary to pursue further enquiries
based on his petition.

35. Sent for orders. The main file is with
the Secy having been sent on 28-5-27.

13
2-6-27.

SWP D)

11/6
4/6

36. Please put up a rpt accepting the
Reg's recommendation.

11/6
6-6-27

11/6
4/6

General and Revenue
Secretariat.

98.

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of 1926.

78 29
7989-
8085-
8325-Serial
No.

16 No. 29/27-28.

8.6.27.

From,

The Registrar of J.S. Cos.

Flagged B.

Flagged A.

With refer to Govt Memo No 6818 of 17-2-27
 The continuation of sl^x forwards copy of
 letter of 16⁵/₂₁ together with its enclosures in
 original recd from Dr C.S. Ramaswami &
 states that for reasons explained it is
 desirable to postpone taking action under
 Sectn 138 & suggests that further action on the
 application may be deferred till the winding
 up petition is disposed of by the Court.

Secy's order on the letter :-

37^r Please put up references - also consultX L.L. Secy whether action under Sectn 138 is
discretionary.(Subd) N.R.
6.6.27.

Subd with references :-

38 Recd Refce is invited to para 34. In view
 of the recommendations now made by the
 Registrar it is for orders before submission
 to the L.L. Secy, if the drafts as ordered
 to be put up in paras 34 & 36 may not be
 kept in abeyance.

39) Yr

J.S.

9-6-27.

11.6.27

40) Saw for perusal. The file in
 be now referred to the Law
 for opinion. (A).

See 1 D)

WR 12/6
11/7Secy
Law Dept.

General and Revenue
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- 12) The question referred to me is whether it is discretionary to take action under Section 138 of Company's Regulation.
- 13) The word "May" in Section 138 indicates discretion.
- 14) It is an accepted principle that whenever a legislature vests in an authority a discretion to do, or abstain from doing, a certain act, it is incumbent upon such authority to exercise the discretion judicially and not arbitrarily.
- 15) In the present case, Government have issued an endorsement to Mr. Salumchand and others that unless an application is received from 1/5th of the shareholders Government cannot move in the matter. (Vide para 11 supra) This was done on the suggestion contained in my Note of 5th February 1927 wherein I have exhaustively dealt with the question.
- 16) Since the allegations made in the petitions are serious and as the holders of 1/5th the number of shares have now come forward in response to the endorsement given, Government have to act under Section 138 in a judicial manner and may not be justified in summarily rejecting their prayer on the alleged ground of an application pending for winding up the Bank. In the first place Government cannot take any judicial notice of such an application. Government are not aware of its contents.

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47) Secondly, action under Section 138 will not in any way interfere with the judicial proceedings.

48) In fact the report of an Inspector will be evidence under Section 143 in any legal proceedings and serve a very useful purpose.

49) There is another aspect of the case to be considered. Company Law is defective in many respects and has not provided many safeguards in the ~~the~~ interests of shareholders. The Registrar has not been given ample powers to interfere with the working of the Companies with a view to safeguard the interests of the shareholders. The only help that Government can render to the share holders is by way of investigation of the affairs of the Company by Inspectors under Section 138 and ~~that~~ Government will not in any way be put to pecuniary loss by such a course as the shareholders pay for it. Government may not be justified in refusing to render such help when several shareholders seek its protection. The Registrar's suggestion to defer taking action until the disposal of winding up proceedings may not be sound, for, the signatories to the application are not parties to the winding up proceedings and the applicant may not press his petition for winding up.

50) Hence I am of opinion that Government

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will not be justified in deferring taking - - action under Section 138, especially when they have in a way committed themselves to move in the matter, if statutory provision is complied with and that such a course will clear many of the apprehensions of the share holders and will show the exact working and financial condition of the Bank. It is significant to note that even the Manager of the Bank urges the Government to appoint a Committee to go into the working of the concern.

5) There is no provision in the Company Law to appoint such a Committee. The appointment of a competent Inspector or Inspectors will serve the purpose of the Committee asked for.

*Dearest
with Compl.*

84
9.7

5.2) I quite agree with the L. Secy.
It is an accepted principle ^{carries} that discretion vested ~~involves~~ a responsibility to use if in the public interest.

5.3) I think action is not only justified, but necessary, under Sec 138. The winding up proceedings are no bar to action under Sec 138 because the parties are not the same; ~~the~~ in fact the investigation by the Inspr appointed under Sec 138 may help in the judicial enquiry.

3rd Member 54)

16727

OFFICE OF THE
THIRD MEMBER OF COUNCIL

18 JULY 1927

No. 16727

NOTE—Contn. sheet.

8) 25 (18)

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Secretariat.

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56) I have considered this matter & come to the conclusion that as suggested by the Rep of J.S.C. it is best to wait till the ^{finish} conclusion of the proceedings in the Civil Court. No doubt under Sec 138 it is quite open to port to order an inspection, but I do not think the circumstances of the case as we know it ^{them} warrant such a course. The Dept. may be told to take further action after the proceedings in the Civil Court are concluded.

57) Please put up off and on 21/7.

NT
22.7.27. Dr
mm
22.7.

58) Please put up.

JACN
26.7.27

59) Dft for approval

Dr
mm
28.7.27

Dorsey)
60) Issue

NT
6.8.27 Dr
mm
6.8.

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19

To: The Registrar of J.S.Cs

D 1657 D 11.8.27.

With Reference to Sl 16 States that further action may be taken after the proceedings in the civil court are concluded & that the action taken may be reported to Govt.

20

Petition D 21-7-27 from Hajee Isakari Sait praying that the applicant may be heard through counsel and that an order on their application for the appointment of an Inspector under Sect. 138 of the Co's Regs. to investigate affairs of the Mylor Industrial Bank may be passed at an early date, irrespective of the application for winding up the Bank, pending before the Court.

b1) "Submitted with file"

Sd/- P. H. K.

10.8.27.

b2) The Regr. has been asked to take further action after the proceedings in the civil court are concluded. (Kind refer to para 56 supra)

Subd. for orders with the file

Jan
12.8.27.

15
651

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Shones be reconsidered in view of the petition
presented subsequently is for consideration.

Do
Am
1927
Derby)

64) I don't think that it is necessary to re-
consider ~~the~~ decision to postpone action till
the proceedings in the Civil Court are
concluded (Member's minute, para 56).
No useful purpose would be served
by hearing counsel at this stage.
Counsel will, undoubtedly, merely re-
iterate the statements contained in
the notes appended to the petition.

3^d Member)

65) I agree

cm

678

NR

6927

Do
Am
6927

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App. F. III-2]

G. S.

File No.

14

of 1926

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No.

21

From

Mr D. F. Salumchund

3. Can Street, Zimpfonteyn 5-3-1929.
States that the Mysore Industrial Bank has now issued a circular for the forfeiture of the Shares, that I have not taken any action till now, and request on behalf of the Share holders that immediate action may be taken in the matter and give them immediate relief in the matter.

66) Kind reference is invited to the minutes of the Third Member in Para 56, Page 18. The Registrar of Joint Stock Companies was accordingly requested to take further action after the proceedings in Civil Court were concluded and to report ^{to Govt} ~~the~~ the action taken.

67) No report has ~~not~~ been received, so far, from the Registrar of Joint Stock Companies. The ~~app~~ petitioner, Mr Salumchund, states that the Bank has now issued a circular for the forfeiture of the St.

68) If approved, the Registrar will be requested to ~~not~~ submit a report in the matter.

CPR

13/3/29.

69) For once

S. O. 13.3.29

70) May be done

Levy

71) Yes

72)

Submitted with a draft for approval

CPR

24/3.

S. O.

73)

Same

CPR

27.3.29

Serial
No.

22

To.

The Registrar of Joint Stock Companies

D 9962 / J.S. 14-16-22 dt 28-3-29

Forwards a copy of St 21) and requests that the
Action taken in the matter may be reported early.

23

From

The Registrar of Joint Stock Companies

C 29 / 27-28 dt 28th March 1929

States that the District Judge Bangalore Division
has intimated that the case against the Bank was dis-
missed on the 7th of last month as the petitioner Mr K.
Narayanaswami Iyer did not press his application
but applied for its withdrawal and that the prayer
of the applicants for the appointment of an Inspector
may be rejected for reasons stated

74) Orders of the Secretary on the P.W.D

75) " I quite agree, References please"

(Ftdt) N.R.

30.3.29

76) Submitted with the entire file for kind perusal.

77) A copy of the Companies Regulation is also submitted for
reference

CRS

2/4

1.02
3/4

78)

Perhaps in the interests of the
bank itself it would be better to
order the inspection, especially as the Managing
Director himself asked for a Committee to be appointed.

See B file
8-4-1929

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Moreover, as required by S. 138, 1/5 th. of the share-holders have applied for it & they are not parties to the winding-up proceedings. (Please see L.R.'s notes - paras 42-51). If necessary the present L.R. may also be consulted. There is no reason why, as stated by the Reg of J.S. Companies, the credit of the bank should be shaken by such an enquiry. If the report of the Inspector is favourable, it will only enhance the reputation of the Bank. On the other hand, if the alleged campaign of the dissatisfied share-holders is allowed to be carried on unchecked more harm than good may be done.

Secy

Cen
9.10.29

9/11

79) I agree with the Reg that the prayer of the applicants must be rejected.

1st Member

TK
25.10.29

80) I agree. Please see Sec 142.

The shareholders may by a special resolution appoint inspectors to investigate the affairs of the company. The remedy is therefore open to them and Court's intervention is not desirable, especially when the case against the company has been

7486
8246
9708
14

24)

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81) Submitted with a draft for Approval, with reference to para 79 & 80).

CRR
3/5

10/5

82) Sp. for approval
- Secy to

83) Issue

11/5

14 5 29
Cen
14/5

28. To the Reg. J.S. 12084 of 21/5/29
Approves his proposal to reject the request
of the applicants to appoint an inspector.

29. From

The Registrar of Joint Stock Companies

C 79/29-30 D 13.5.29

with reference to the petition of Mr. H. Deepchand Bapu
invites reference to his letter No C 29/27-28 D 18-3-29 wherein
he has dealt with the question of the appointment of an inspector.

84) Kind reference is invited to this office letter NO D 1208
J.S. 14-26-28 D 21st May 1929 approving of the proposal
of the Registrar to reject the request of the applicants in
respect of the appointment of an Inspector to investigate the
Affairs of the Mupre Industrial Bank Ltd. and stating that
the intervention of Govt is not desirable especially when the
Case against the Company has been dismissed.

85) No further action seems to be necessary.

86) Submitted for Orders

CRR
31/5

10/5

87) Perhaps a reply in the matter may
be sent to the applicants.

- Secy to

10/5

Yes 11/5

Cen
25/6/29

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89) A draft endorsement to Mr B F Salmuchand has been submitted for orders with Dair No 8360, on 7th June 1929.

90) Submitted with a draft endorsement to Mr Sengchand Bapna, for approval.

CPR
24/6

VS

91) Issued
Cen
24.6.29.

Issued Endorsement No D 13768 of 28-6-1929 Stating that Govt see no reason to interfere in the matter.

92) Kind reference is invited to the remarks in paras 29 to 34, Page 12. The matter has not been referred to the Committee, perhaps with reference to the opinion of the Legal Remembrancer in para 51) Page 17. It is also ascertained that the recommendations of the Committee are under consideration. It is for orders whether this matter has to be referred to that Committee.

93) Submitted for orders

CPR
8/8

VS

Mr. Nannikumbho Madhavi

wanted a Committee to be appointed to go into the details of the working of the Industrial Bank of the Madhaskshmi Mills. The L.R. was of opinion that the Company had no provision for the appointment of such a Committee.

The "State Aid to Industries Committee" has already recommended that this is not an

Serial
No.

point is this, his question is
then now you have already declined
to interfere in the working of the
Bank as desired by some of the re-
holders. The papers may, therefore,
be filed.

Very O)

10/8/29

.KR

16-8-29

1/8

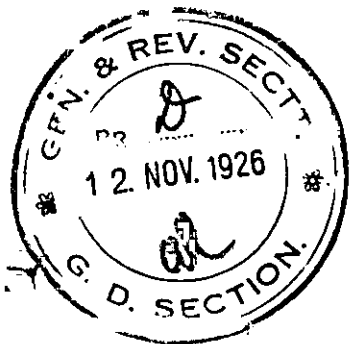
DEVELOPMENT BRANCH

Members orders (after an
interview with the Secy. of
the Adm. Division in the month of
1922)

If the Secy. asks for
time to recommend the policy
with regard to the
views of fact on the
arms and action of the
Association, and to
see what steps should
be taken to make its policy
effective, first will
be prepared to give them
time by keeping the
policy in advance.

No. 1067

Response 11-11-1996



disposal

humboldt

Private Secretary

to H. H. the Maharaja of Mysore.

No. 390 of 1926-27



From,

B. F. Salunchund, Banker,

166, Commercial Street,

Bangalore.

To,

His Highness Col. Sir Sri Krishnarajendra Wadayar

Bahadur, G.C.S.I., G.C.B.E.,

The Maharaja of Mysore,

M Y S O R E.

May it please your Highness,

That your Highness's Petitioner on behalf of the Shareholders of the Mysore Industrial Bank, Limited, Bangalore City, begs to bring the following few lines to your Highness's kind consideration.

2. That the petitioner has herein enclosed a copy of the application signed by a list of -- shareholders, to the Registrar of the Joint Stock Companies in Mysore, protesting the calls and forfeiture of their shares before the issued shares are completed.

3. That your Highness's petitioner has applied to the Devan of Mysore to grant permission to convene a meeting of the shareholders independent of the present -- Directors.

4. That your petitioner further begs to state that some of the Shareholders are desirous of the said Bank, may be brought to liquidation, if the benign Government of Mysore do not consider at our request to -- convene the Extraordinary General Meeting of the Shareholders and grant them permission to passive the share-
holders by their modification in the articles of associa-

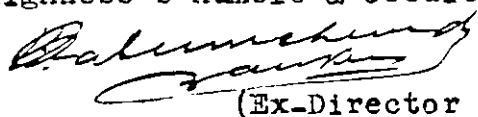
-tion

Association, as the present management of the Bank is not satisfactory, and the shareholders will be ruined by their action in liquidating a ^{series} ~~time~~ concern. So your Highness's petitioner most respectfully pray that the said Bank may not be wound up for the irregularities of the shareholders or of the present management of the Directors of the Bank, as they are willing to arrange properly after convening the Extraordinary General Meeting of the Shareholders on granting them permission by the Dewan Sahib. Therefore your Highness's petitioner most humbly pray to consider over the gr̄evances of the shareholders in loosing the Capital by forfeiture of their shares after paying allotment. May your Highness command the Government of -- Mysore to comply their request for holding an Extraordinary General Meeting of the Shareholders under the presidency of the Director of the Industries & Commerce in Mysore.

For which act of kindness and benevolence, your petitioner as in duty bound ever pray for Your Highness's long life & prosperity.

Your Highness's Petitioner humbly begs to remain,

Sire,
Your Highness's humble & obedient subject,


(Ex-Director of the Bank)

(On behalf of the Shareholders of the Mysore
Industrial Bank Ltd., Bangalore City)

Encs.

Bangalore, dated 8th. November, 1926.

Bangalore,

"Cop,

Dated, 29th October 1926.

To,

The Registrar of Joint Stock Companies in Mysore,

B a n g a l o r e.

Sir,

We the undersigned shareholders of the Mysore Industrial Bank Limited, Bangalore City, beg to leave the following representations regarding the management of the affairs of the Bank and pray that you may take suitable action against the Managing Director and safeguard the interest of the several shareholders of the Bank and restrain him from unnecessarily harassing the shareholders.

(1) Prior to the commencement of the business of the Bank several of the first directors of the Bank desired that in as much as the minimum number of shares namely, 50,000 had not been subscribed for even after the lapse of considerable time from the date of the formation of the Company, the Bank should be wound up. — But Mr. Manickavelu Mudaliar guaranteed on 23-11-1920 that he would sell not less than 50,000 shares within twelve months from that day and in case if he did not so sell, he himself would purchase at the end of ~~the~~ twelve months such number of shares as would make up 50,000. An enquiry is held by you and the original directors are examined, this will become obvious.

An enquiry is held by you and the original directors are examined, this will become obvious. We submit that the method adopted by Mr. V. Manickavelu Mudaliar is illegal and contrary to Section 103 clause 1 (b) of the Mysore Companies Regulation.

(2) So far as we are able to understand, the present directors have not themselves paid all the calls. On the other hand some of them have borrowed very heavily from the Bank.

(3) The present Board of Directors consists of Mr. V. Manicka Mudaliar who is also chairman of the Board as well as the Managing Director, his undivided son Mr. Sundaramurti Mudaliar who is the Secretary of the Board and Mr. T. Lahsmiah their intimate friend and two others. In this way, Mr. V. Manickavelu Mudaliar is able to wield a large influence and carries on the management to his own benefit.

(4) Mr. V. Manickavelu Mudaliar has not ~~paid~~ sold 50,000 shares (vide Bank's Agenda of 1920-21) as he guaranteed to do so, nor has he purchased them himself. He has been taking undue advantage of his position in the directorate and without paying all the calls in full up-to-date, he has been able to carry a resolution in the directorate authorizing him to make a 3rd call upon the shareholders. We submit that there is no need for the present call. Further he has published a notice in the "Daily Post" of the 4th October 1926 that the shares of the defaulters would be forfeited. This is illegal, himself being a defaulter.

(5) Mr. V. Manickavelu Mudaliar did not permit Mr. Salim Chand a former director to inspect the account books of the Bank with the result that he resigned his place as a director.

(6) The arbitrary accounts of the managing director are oppressing the shareholders and they have no confidence in the present Managing Director.

(7) We understand that the Government is contemplating to

to grant some loan to the Bank. We are glad that this will enable the Government to appoint some competent person to be the directorate.

(8) We further pray that you may be pleased to call upon the Board of Directors to stop collecting the calls and not to forfeit the shares of the alleged defaulting shareholders until your enquiry is over.

(9) All communications in respect of this may kindly be addressed to Mr. B. F. Salunchand, Banker 166, Commercial Street, C & M Station, Bangalore.

Filed on-
~~1/11/26~~
~~1/11/26~~

1/11/26.

We beg to remain,
Sir,

Your most obedient servants,

(Sd) B.F. SALUNCHUND, BANKER,

& Others.

Draft of Notice to the Shareholders.

THE MYSORE INDUSTRIAL BANK LIMITED

Bangalore City.

An Emergent Meeting of the Shareholders of The Mysore Industrial Bank, Limited, will be held at the Oosmania Theatre Mysore Road, Bangalore City. on Sunday the 26th, November 1926 at 5 P.M. precisely.

You are requested either to attend personally or by proxy.

B. F. Salumchund,

M. Jelal Rasheed,

AJENDA.

1. To request the Government of Mysore to appoint an Inspector to inspect the accounts and nominate Government Auditor and 3 Directors to recommend loans for Industrial concern.
2. To elect seven more Directors among the qualified shareholders to form the full Board of Directors, besides the existing Directors being Provisional Directors.
3. To appoint an European Manager on salary and Secretary with allowance for managing the affairs of the Bank and complete the issued shares, also uphold the calls and refund the 1st. 2nd. & 3rd. calls already paid to the Bank or allow the same amount to be deposited in the Fixed Deposit account with the Bank at 7% interest, transferring annually till the completion of the issued Shares (2½ lacks Ordinary shares)

To amend the Articles of the Association as follows:-

Sec.30, add "on the completion of the Issued Shares after the existing article, for the time being at Rs.40/- each (in 20 Instalments) after allotment.

Fifteen days notice, at least of any call shall be given by the Company (either by letter to the members or by advertisement) specifying the time and place of payment and to whom such call shall be paid on the completion of the Issued shares for the time being at Rs.40/-

t Rs.40/- each (in 20 Instalments) after allotment.

Sec, 95, Increase the number of Directors from 4 to
to form the quorum, Read "the number of Directors,
shall not be less than nine nor more than fifteen

Station. Bangalore,

Dated 20th April 1927.

To,

N. Rama Rao Esqr B.A., B.L.,

Secretary to the Government of His Highness the M
Maharajah of Mysore, (Development Department)

Through

The Registrar of Joint Stock Companies in Mysore,
Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City.

In compliance with your letter No. M C 29/27-28 dated
6th April 1927, we beg hereby to request you that you will
be pleased to appoint an Inspector to inspect the accounts
of the above bank, and to investigate into its present un-
satisfactory state of affairs.

We beg to remain,

Sir,

Your Most Obedient Servants,

Name	Address	No of shares	Signature.
Salunchnund, Banker,	166, Commercial Street	1085	Salunchnund
Yee Zuckari, Sait,	171, Commercial St,	110	Yee Zuckari Sait.
Shananiab	Jaumier Bangalore	10	P. Shananiab
Aganma, Bangalore oil mill owner		50	Aganma
3. Syed Ibrahim	Timber Merchant	25	B. Syed Ibrahim
Gulam Mohideen	Timber Merchant	50	Gulam Mohideen
Syed Abdul Fajaz	Timber Merchant	25	Syed Abdul Fajaz
Mahomed Pilly	Merchant	5	Mahomed Pilly
ಮಹಮ್ಮದ್ ಪಿಲ್ಯೆ	ಮಾನ್ಯರು		ಮಹಮ್ಮದ್ ಪಿಲ್ಯೆ

Address

No: of
shares

Signature.

B. F. J. No 1365

Syed Abdul Wahab New Market 2 Syed Abdul Wahab

Syed Abdul Wahab 2 Syed Abdul Wahab

Syed Abdul Wahab 5 Syed Abdul Wahab

Syed Abdul Wahab 3 Syed Abdul Wahab

Syed Abdul Wahab 50 Syed Abdul Wahab

Syed Abdul Wahab 5 Syed Abdul Wahab

Syed Abdul Wahab 10 Syed Abdul Wahab

Syed Abdul Wahab 75 Syed Abdul Wahab

Syed Abdul Wahab 50 Syed Abdul Wahab

Syed Abdul Wahab 4 Syed Abdul Wahab

Syed Abdul Wahab 4 Syed Abdul Wahab

Syed Abdul Wahab 5 Syed Abdul Wahab

Syed Abdul Wahab 100 Syed Abdul Wahab

Syed Abdul Wahab 50 Syed Abdul Wahab

Syed Abdul Wahab 125 Syed Abdul Wahab

Syed Abdul Wahab 125 Syed Abdul Wahab

Syed Abdul Wahab 125 Syed Abdul Wahab

Syed Abdul Wahab 125 Syed Abdul Wahab

Information sheet for Mysore Industrial Bank, Ltd.,

[illegible]

Dated 20th April 1927.

N. Rama Rao Esqr B.A., B.L.,

Through

Sir,

In compliance with your letter No. M C 29/27-28 dated April 1927, we beg hereby to request you that you will be pleased to appoint an Inspector to inspect the accounts of the above bank, and to investigate into its present unsatisfactory state of affairs.

Sir,

name	Address	No of shares	Signature.
S. Linganna	Illigud Mysore	25	S. Linganna
G. G. G. G.	Illigud Mysore	10	G. G. G. G.
Siddanna / son.	Illigud Mysore	250	S. Siddanna
U. Raju U. A. Raju	Illigud, Mysore	50	U. Raju
Advocate, Weaviskere Mysore		1040	Advocate
G. G. G. G.		20	G. G. G. G.
G. G. G. G.		25	G. G. G. G.

Name and address.	Signature	No. of shares.
		2645

T.S. Sreenivasiah Mysore	T.S. Sreenivasiah	300/-
B. B. Nayappa No 51 Tack Road	B. B. Nayappa	2 shares
A. G. Manavortipet	A. Rangaswami	50 share
S. R. amarao	S. R. amarao	5. Shares.
Ramadas - I. Sauthe	Ramadas - I. Sauthe	20 Shares
V. Govind Row Simha	V. Simha	10 - 1/2 shares
B. Ramaswami Sanyal	B. Ramaswami Sanyal	1 share
G. Narasimhaiah	G. Narasimhaiah	1 share
K. Narayanaswami Sanyal Govipur Extension Bangalore City	K. Narayanaswami Sanyal	10 shares
M. Narasimhaiah 417 Avenue Road Bangalore city	M. Narasimhaiah	10 Shares
T. S. Venkannarayana Sankarapur	T. S. Venkannarayana	5 u

B. M. Vijaya Deva	B. M. Vijaya Deva	1000 Shares
B. J. Sharmarao Bhadravathi	B. J. Sharmarao	2 Shares
Jalal Rasheed	J. Rasheed	1 share
H. Raghubhadracharya	H. Raghubhadracharya	1088.

Total 5150
5150/-

Station 14th Bellary

Dated 14th May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

Sir,

Your most obedient servant,

Name Lackia Sait Lackia Sait

Address 144. Fort.

No: of Shares 23, 1000 rs & Ordinary

Signature Lackia Sait

Station Chintamani

Dated 29th April 1927.

To **N. RAMA RAO, Esqr; B A., B.L.,**

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

- In compliance with your letter No. M.C. 29/27-29 dated 6th April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name ಶ್ರೀ ಮ. ರಾಮ ರಾವ್ (S) *Shrinani*

Address 2nd Cross Street, Bangalore

No: of Shares 25

25 Shares

Signature ಶ್ರೀ ಮ. ರಾಮ ರಾವ್

(3)

Station Bangalore

Dated 13th May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28.
dated 6th April 27 I beg hereby to request that you
~~We~~ will be pleased to appoint an Inspector to inspect the
accounts of the Mysore Industrial Bank, Ltd., and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We,
Sir,

Your most obedient servant,

Name M. S. Subbanna B.A.L.B.

Address M. S. Subbanna Mangalore

No: of Shares 25

Signature M. S. Subbanna

(4)

Station

Dated

1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 I beg hereby to request that you
We — will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant,

Name B. Leakshmana

Address Sowcar clerk ^{Rao} B. Leakshma

No: of Shares Two

Signature B. Leakshmanarao

65

FB

Station Channarayana

Dated 9/5/27 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore,

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 I beg hereby to request that you
~~we~~ will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,
We

Sir,

Your most obedient servant,

Name Md Ruzarudin Ahmed Md Ruzarudin
alias Badsha Saib
Address Silk Merchant Ahmed
alias Badsha
Saib

No: of Shares five (5)

Signature Md Ruzarudin Ahmed alias
Badsha Saib

Station *Administrative*

Dated

9/5 1927.

To

M. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated *6th* April 27 I beg hereby to request that you
~~We~~
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name *M. A. EKHbal*

M. A. EKHbal

Address *Student G.S.S.*

and Kalyan Hrudim

No: of Shares *five (5)*

Signature *M. A. EKHbal*

Station

Channarayana

Dated

9/5/1927.

To

N. RAMA RAO, Esqr; B A.,-B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 I beg hereby to request that you
~~We~~
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name

Shanbaugh

Naizundia

Address

Shanbaugh

No: of Shares

One

Signature

Shanbaugh

Dated 9/57 1927.

N. RAMA RAO, Esqr; B A., B.L.

Development Department,

The Registrar, Joint Stock Companies in Mysore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 I beg hereby to request that you ~~We~~ will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,
We

Sir,

Your most obedient servant,

Name S. A. Mustafa Hussain Samrao D 20

Address Silk merchant, 104 N 2nd St
Shafi Bank Proprietor

No: of Shares ninety (90)

Signature Sowcar A Litz and
Vijaya Subram

Station Adalagere

Dated . 5 . 5 . 1927

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated ⁶ April 27 ~~I~~ We beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,
~~We~~

Sir,

Your most obedient servant,

Name Desvarajiah

Address Merchant Adalagere. Gubbija

No: of Shares ^{20 Share} (No. 2205) (S. Twenty.)

Signature Desvarajiah

(10)

25

Station Chikmagalur

Dated 1-5-1927

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Département,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
ated 6th April 27 I beg hereby to request that you
~~We~~
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name Tapan na Rao

Address Chikmagalur

No: of Shares Two Ordinary

Signature తం. రామారావు నరసింహాచారి

2M

Station Chikmagalur

Dated 1-5-1927

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ^{6th} April 27 We I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

—
We I beg to remain,

Sir,

Your most obedient servant,

Name S. Rangiah Esqr

Address Proprietor of Messrs Singari Subbanna & Rangiah
Setty & Co. Jewell Merchants, Chikmagalur

No: of Shares 12 Ordinary (Twelve only)

Signature S. Rangiah Esqr

Station Chikmagalur

Dated 1-5-1927

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ~~6~~ April 27 We I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

We I beg to remain,

Sir,

Your most obedient servant.

Name S. Rangiah Esqr.

Address Chikmagalur.

No: of Shares 4 Ordinary (four only)

Signature S. Rangiah Esqr.

Station Chikmagalore.Dated May 1st. 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,Secretary to the Government of His Highness
The Maharaja of Mysore.

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name S. K. Venkatachala SettyAddress Stationer and Book-Seller,No: of Shares Five Only.Signature SK. Venkatachala Setty

Station.....

Dated.....

1927.

To

N RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated ^{6th} April 27 ~~We~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
~~accounts of the~~ Mysore Industrial Bank, Ltd., and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name

Charles Lister

Address

Narsari Chamber
Gutham Road
Bombay

No: of Shares

983

Signature

Charles Lister.

28

Station Ambur

Dated 29th Apr 1927

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated ^{6th} April 27 ~~We~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name H. A. S. Srinivas

Address Near Queen's Statue
Ambur.

No: of Shares 100

Signature. H. A. S. Srinivas

Station

29
Hovmah

Dated

28. 4 1927.

To

N. RAMA RAO, Esqr; B A., B.L.

Secretary, to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name

M. F. K. Eucant

Address

54 Dobson Road

No. of Shares

Trouling Hovmah

Signature

M. F. K. Eucant

29

Station Paramakudi

Dated 2nd May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore,

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C: 29/27-28 dated 6th April 27 ^{We} I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

Sir,

Your most obedient servant,

Name L. Kaliswara Aiyar
Lawyer & Merchant
Address Paramakudi

No: of Shares Twenty

Signature L. Kaliswara Aiyar

(18)

31

Station Lomerville, Jr

Dated 2nd May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 We I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant.

Name Arnakutani Smanama

Address Smanama & Co
Merchants Dubois

No: of Shares 20/-

Signature Smanama & Co

✓

Dated 30 - 4 - 1927.

 T_0

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29;27-28 dated 6th April 27 I beg hereby to request that you will be pleased to ~~we~~ appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,
We

Sir,

Your most obedient servant,

Name D. V. R. Reddy

Address Cloth Merchant. Son of
Chikmagala D. Veerabadrappa-Kaly

No: of Shares 20

Signature D. C. Rudolph

(Deceased)

Station *Mysore*

Dated *17th April* 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated *6th* April 27 I beg hereby to request that you
~~We~~
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,
~~We~~

Sir,

Your most obedient servant,

Name *Abdul Sathar Sp. Mahammed*

Address *Abdul Sathar Sp. Bahagichchi*

No: of Shares *20* *Abdul Ra Zek beegsami*

Signature *Karashah.*

(21)

34

Station Coimbatore

Dated 25 4. 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 ~~We~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant,

Name C. V. Krishnaswami Ganga

Address "Ranga Vilas" Tail Road.
Coimbatore

No: of Shares Thirty

Signature C. V. Krishnaswami Ganga.

Station

Calicut

Dated

26th Feb 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 ~~we~~ I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~we~~

Sir,

Your most obedient servant,

Name

J. V. Sundara Iyer

Address

Vakil, Calicut, p.o. Chalapuram

No: of Shares

20

Signature

J. V. Sundara Iyer

(23)

glo

Station 27th Whitehall

Dated 27th April 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ^{6th} April 27 ~~We~~ I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,
We

Sir,

Your most obedient servant.

Name K. T. Venkataswami

Address Land & Cloth Merchant
Chick Bazaar

No: of Shares 50.

Signature K. T. Venkataswami

2. Budihal Garden Street
Park Town

Station Madras.

Dated 27 - 4 - 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore..

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter..No..M..C. 29/27-28—
dated ^{6th} April 27 I beg hereby to request that you
~~We~~ will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name S. Rangachari

Address 2, Budihal Garden Street
Park Town, Madras

No: of Shares Twenty (21199 to 21208 &
21209 to 21218)

Signature S. Rangachari

Station Bombay.....

Dated 27th April 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 ~~We~~ I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name H F Commesant H F Commesant

Address Commisariat Bldg

No: of Shares 1000/-

Signature H F Commesant

(26)

39

Station Tiruvade.....

Dated 27 - 4 - 1927.

To

N. RAMA RAO, Esqr; B A B.L

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter = No. M. C. 29/27-28
dated 6th April 27 ~~We~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name T. K. Lakshminarayana *T. K. Lakshminarayana*
ayar.

Address 78, North Street, Tiruvadi, Tanjore St.

No. of Shares Twenty - Ordinary.

Signature T. K. Lakshminarayana *ayar.*

[27]

40

Station Kyasanballya

Dated 28th Apr 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

-In compliance with your letter No. M.-C. 29/27-28-
dated 6th April 27 I beg hereby to request that you
~~We~~ will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant,

Name K. Chankasam Reddi

Address Kyasanballya - Betmangala
port

No: of Shares Twenty

Signature K. Chankasam Reddi

Station ChickmagalurDated 29th April 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated 6th April 27 ~~We~~ I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name B. K. H. C. M. S. M. S. M. S. M. S.Address ChickmagalurNo: of Shares 25 Twenty fiveSignature [Signature]

(29)

42

Station ~~Chikmagalur~~.....

Dated 26th. April 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,
Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28_ dated 6th April 27 I beg hereby to request that you ~~We~~ will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,
~~We~~

Sir,

Your most obedient servant.

Name K. L. Puttashamiah

Address K. L. Puttashamiah & Sons,
Commission Agents, Chikmagalur.

No: of Shares 20

Signature [Handwritten Signature]

43

Station Chikballapur

Dated 26-4-1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. - 29/27-28
dated 6th April 27 ~~we~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant,

Name V. Venkatasamy Chetty V. Venkatasamy Chetty

Address merchant
Chikballapur

No: of Shares 26

Signature V. Venkatasamy Chetty

(31)

44

Station Madras.....

Dated 26.4.1927.

To

N. RAMA RAO, Esq: B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department.

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ~~14~~ April 27 ~~I~~ ~~we~~ beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant,

Name Ras Sahib C. Durmalaya Mudra

Address 351 Mint Street, Madras

No: of Shares 100. (One hundred)

Signature Durmalaya Mudra

(32)

45

Station Maddur (Pudukkottai).

Dated 26th April, 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,
~~We~~

Sir,

Your most obedient servant,

Name Korataji Subbarao

Address pleasure, Maddur (Pudukkottai).

No: of Shares Twenty

Signature Korataji Subbarao

46

Station ChikmagalurDated 16th April 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,Secretary to the Government of His Highness
The Maharaja of Mysore.Development Department,
...

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ~~6th~~ April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant,

Name H. Venkoba RaoH. Venkoba RaoAddress Merchant & Land-lord, post office, Chikmagalur.No: of Shares win by firmSignature H. Venkoba Rao.

(34)

Station Tumkur

Dated 26.4.1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated ^{6th} April 27 I beg hereby to request that you
~~We~~ will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,-

Your most obedient servant.

Name D. Rama Rao *Dhamarao*

Address Reader, Tumkur.

No: of Shares 20. (Twenty).

Signature *Dhamarao*

48
Station Kollegal

Dated 14/57

1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated April 27 I beg hereby to request that you
We
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

We

Sir,

Your most obedient servant.

Name M. R. Pir Saih M. R. Pir Saih

Address Siddh Merchant

No: of Shares ten

Signature M. R. Pir Saih

49
Station Maharaja's Palace

Dated 15th May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated 6th April 27 ~~we~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~we~~

Sir,

Your most obedient servant.

Name Md. Nasir ul H. Usmani

Address Extn. 2nd. Floor

No. of Shares 5

Signature Md. Nasir ul H. Usmani

50

Station Robertsonpet

Dated 15th May 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28
dated ^{6th} April 27 ~~We~~ I beg hereby to request that you
will be pleased to appoint an Inspector to inspect the
accounts of the *Mysore Industrial Bank, Ltd.*, and to investi-
gate into its present unsatisfactory state of affairs.

I beg to remain,

~~We~~

Sir,

Your most obedient servant.

Name Soolchand 9/11/5/11/2

Address Robertsonpet

No: of Shares one 1

Signature [Signature]

51
Station Robertson

Dated

15/5 1927.

To

N. RAMA RAO, Esqr; B A., B.L.,

Secretary to the Government of His Highness
The Maharaja of Mysore.

Development Department,

Through

The Registrar, Joint Stock Companies in Mysore,

Bangalore.

Sir,

Re Mysore Industrial Bank Ltd., Bangalore City

In compliance with your letter No. M. C. 29/27-28 dated ~~6th~~ April 27 I beg hereby to request that you will be pleased to appoint an Inspector to inspect the accounts of the *Mysore Industrial Bank, Ltd.*, and to investigate into its present unsatisfactory state of affairs.

I beg to remain,

Sir,

Your most obedient servant,

Name H B Chundal

Address Sowcar

No: of Shares 1

Signature [Signature]

Registered.

From,

B.F. Salumchund, Banker,

166, Commercial Street,

Bangalore.

To,

Ameinul Mulk,

Mirza Ismail, Esqr., B.A., O.B.E., C.I.E.,

Dewan of Mysore,

B A N G A L O R E.

Secretary
Development
Department,
with Compliments.

Respected Sir,

I have the honour to enclose a copy of the ---

petition duly signed by a list of Shareholders who had joined me to protest the calls and forfeiture of the Ordinary and Founders' shares before the Issued Shares were completed as it is the usual course of business in the Joint Stock Companies.

The present directors are 4 in number who are the votaries of the promoter of the Bank, Mr.V.Manickavelu Moodaliar (one) his undivided son, and two others are his Landlord, partner, also customers in his private concern. So the Shareholders have no confidence in their management as they have dismissed the competent General Manager (1st.appoint-
-ed) to elect himself as the Managing Director of the Bank (for selfish motives).

I therefore, respectfully request you on behalf of the shareholders to grant me permission to call an Extraordinary General Meeting of the shareholders independent of the present Directors as they call us defaulters and are dead against us to proceed with the meeting, to protest the forfeiture of the -- shares and amend the Articles as per Agenda.

Trusting you would comply with my request by an early date.

I have the honour to be,
Respected Sir,
Your most obedient servant,

B.F. Salumchund
Banker

RECEIVED
16/11/26
BANGALORE,

Dated 8th. November, 1926

"Copy"

Bangalore,

Dated, 29th October 1926.

To,

The Registrar of Joint Stock Companies in Mysore,

B a n g a l o r e.

Sir,

We the undersigned shareholders of the Mysore Industrial Bank Limited, Bangalore City, beg to leave the following representations regarding the management of the affairs of the Bank and pray that you may take suitable action against the Managing Director and safeguard the interest of the several shareholders of the Bank and restrain him from unnecessarily harassing the shareholders.

(1) Prior to the commencement of the business of the Bank several of the first directors of the Bank desired that in as much as the minimum number of shares namely, 50,000 had not been subscribed for even after the lapse of considerable time from the date of the formation of the Company, the Bank should be wound up. But Mr. Manickavelu Mudaliar guaranteed on 23-11-1920 that he would sell not less than 50,000 shares within twelve months from that day and in case if he did not so sell, he himself would purchase at the end of ~~the~~ twelve months such number of shares as would make up 50,000. An enquiry is held by you and the original directors are examined this will become obvious.

54

An enquiry is held by you and the original directors are examined, this will become obvious. We submit that the method adopted by Mr. V. Manickavelu Mudaliar is illegal and contrary to Section 103 clause 1 (b) of the Mysore Companies Regulation.

(2) So far as we are able to understand, the present directors have not themselves paid all the calls. On the other hand some of them have borrowed very heavily from the Bank.

(3) The present Board of Directors consists of Mr. V. Manickavelu Mudaliar who is also chairman of the Board as well as the Managing Director, his undivided son Mr. Sundaramurti Mudaliar who is the Secretary of the Board and Mr. T. Lahsmiah their intimate friend and two others. In this way, Mr. V. Manickavelu Mudaliar is able to wield a large influence and carries on the management to his own benefit.

(4) Mr. V. Manickavelu Mudaliar has not ~~paid~~ sold 50,000 shares (vide Bank's Agenda of 1920-21) as he guaranteed to do so, nor has he purchased them himself. He has been taking undue advantage of his position in the directorate and without paying all the calls in full up-to-date, he has been able to carry a resolution in the directorate authorizing him to make a 3rd call upon the shareholders. We submit that there is no need for the present call. Further he has published a notice in the "Daily Post" of the 4th October 1926 that the shares of the defaulters would be forfeited. This is illegal, himself being a defaulter.

(5) Mr. V. Manickavelu Mudaliar did not permit Mr. Salum Chand a former director to inspect the account books of the Bank with the result that he resigned his place as a director.

(6) The arbitrary accounts of the managing director are oppressing the shareholders and they have no confidence in the present Managing Director.

We understand that the Government is contemplating to

to grant some loan to the Bank. We are glad that this will enable the Government to appoint some competent person to be the directorate.

(8) We further pray that you may be pleased to call upon the Board of Directors to stop collecting the calls and not to forfeit the shares of the alleged defaulting shareholders until your enquiry is over.

(9) All communications in respect of this may kindly be addressed to Mr. B. F. Salumchand, Banker 166, Commercial Street, C & M Station, Bangalore.

Filed on-
~~1/11/26~~

1/11/26.

We beg to remain,
Sir,

Your most obedient servants,

(Sd) B.F. SALUMCHUND, BANKER,

& Others.

Draft of Notice to the Shareholders.

THE MYSORE INDUSTRIAL BANK LIMITED

Bangalore City.

An Emergent Meeting of the Shareholders of The Mysore Industrial Bank, Limited, will be held at the Oosmania Theatre Mysore Road, Bangalore City. on Sunday the 26th. November 1926 at 5 P.M. precisely.

You are requested either to attend personally or by proxy.

B. F. Salumchund,

M. Jalal Rasheed

AJENDA.

1. To request the Government of Mysore to appoint an Inspector to inspect the accounts and nominate Government Auditor and 3 Directors to recommend loans for Industrial concern.
2. To elect seven more Directors among the qualified shareho to form the full Board of Directors, besides the existing Dire being Provisional Directors.
3. To appoint an European Manager on salary and Secretary wi allowance for managing the affairs of the Bank and complete th Issued shares, also uphold the calls and refund the 1st. 2nd. 3rd. calls already paid to the Bank or allow the same amount t be deposited in the Fixed Deposit account with the Bank at 7% interest, transferring annually till the completion of the -- Issued Shares (2½ lacks Ordinary shares)
4. To amend the Articles of the Association as follows:-
Sec.30, add "on the completion of the Issued Shares" after the existing article, for the time being at Rs.40/- each (in 20 Instalments) after allotment.
Fifteen days notice, at least of any call shall be given by the Company (either by letter to the members or by advertisement) specifying the time and place of payment and to whom such call shall be paid on the completion of the issued shares for the time being at Rs.40/-

at Rs.40/- each (in 20 Instalments) after allotment.

Sec, 95, Increase the number of Directors from 4 to 9
to form the quorum. Read "the number of Directors,
shall not be less than nine nor more than fifteen etc.

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
NO. 875
ENCL.

GEN. & REV. SECRETARIAT,
7 DEC. 1926
DEVELOPMENT BRANCH.

58
3487

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore.....10/11/1926.

B. RAMASWAMAIYA, Esq., B.A., B.L.,
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

Registrar of Joint Stock Companies in Mysore.

g. S. 14-26-6

To

C. Ranganatha Rao Saheb, Esq., B.A., B.L.,

Secretary to the Government of His Highness

the Maharaja of Mysore, Development

Departments, Bangalore.

Sir,

In continuation of this office letter No.869 dated
9th November 1926 forwarding a copy of the petition of Mr. H.

Reekubchand about the affairs of the Mysore Industrial Bank, Ltd.,

I have the honour to submit, herewith, for the information of Govern-
ment a copy of another petition on the affairs of the said Bank
signed by 23 persons (headed by Mr. B. F. Salumchand, Banker,
Bangalore) received in this office.

I have the honour to be,

Sir,

Your most obedient servant,

B. Ramaswamaiya

REGISTRAR.

HR

1st secy

NPS.
Please see the letter

line 20

6.12.26 W.P. 7/12

The previous petitions on this subject have been referred to 1st secy
for opinion of opinion. His opinion may kindly be sent early

2nd secy
with enclosure

Copy of petition (signed by 23 persons headed by Mr. B.F. Salumchand, Banker, Bangalore, ~~City~~) to the Registrar of Joint Stock Companies in Mysore, Bangalore City.

We the undersigned shareholders of the Mysore Industrial Bank, Ltd., Bangalore City, beg to leave the following representations regarding the management of the affairs of the Bank and pray that you may take suitable action against the Managing Director and safeguard the interest of the several shareholders of the Bank and restrain him from unnecessarily harassing the shareholders.

(1) Prior to the commencement of the business of the Bank several of the first directors of the Bank desired that in as much as the minimum number of shares namely, 50,000 had not been subscribed for even after the lapse of considerable time from the date of the formation of the company, the Bank should be wound up. But Mr. Manickavelu Mudaliar guaranteed on 23-11-1920 that he would sell not less than 50,000 shares within twelve months from that day and in case if he did not sell, he himself would purchase at the end of twelve months such number of shares as would make up 50,000. An enquiry is held by you and the original directors are examined, this will become obvious. We submit that the method adopted by Mr. V. Manickavelu Mudaliar is illegal and contrary to Section 103 clause 1 (b) of the Mysore Companies Regulation.

(2) So far as we are able to understand, the present Directors have not themselves paid all the calls. On the ~~the~~ other hand some of them have borrowed very heavily from the Bank.

(3) The present Board of Directors consists of Mr. V. Manickavelu Mudaliar who is also Chairman of the Board as well as the Managing Director, his undivided son Mr. Sundaramurti Mudaliar who is the Secretary of the Board and Mr. T. Lakshmiah Chetty their intimate friend and two others. In this way Mr. V. Manickavelu Mudaliar is able to wind a large influence and

and carries on the management to his own benefit.

(4) Mr. V. Manickavelu Mudaliar has not sold 50,000 shares (vide Bank's ~~Agem~~ Agenda of 1920-21) as he guaranteed to do so, nor has he purchased them himself. He has been taking undue advantage of his position in the directorate and without paying all the calls in full up-to-date, he has been able to carry a resolution in the directorate authorising him to make a third call upon the shareholders. We submit that there is no need for the present call. Further he has published a notice in the "Daily Post" of 4th October 1926 that the shares of the defaulters would be forfeited. This is illegal, himself being a defaulter.

(5) Mr. V. Manickavelu Mudaliar did not permit Mr. Salumchand a former director to inspect the account books of the Bank with the result that he resigned his place as a director.

(6) The arbitrary acts of the managing director are oppressing the shareholders and they have no confidence in the present managing director.

(7) We understand that the Government is contemplating to grant some loan to the Bank. We are glad that this will enable the Government to appoint some competent person to the Directorate.

(8) We further pray that the Board of Directors be pleased to call upon to stop collecting the calls and not to forfeit the shareholders of the alleged defaulting until your enquiry is over.

(9) All communications in respect of this may kindly be addressed to Mr. B. F. Salumchand, Banker, 166, Commercial street, C & M station, Bangalore.

"C O P Y"



For REGISTRAR.

SUBJECT.....

Diary No. of letter replied to.....

General and Revenue Secretariat

()
the 192

Date of issue.....

Signed by.....

List of enclosures.....

Copied by.....

Examined by.....

Section 2. S.

File No. 14-26.

No. D. 6816 Serial No. 7/7/7

To

The Registrar of J.S. Co.

Sir,

With reference to your
letter no. 8753 of 10th Nov. 192
forwarding copy of petition ~~received~~^{address}
from Mr B. F. Salun Chand
Banshi, re his application for
Nagpur Industrial Bank Ltd
I am directed to request to be
furnished with a report on the
petition at a very early date, along
with the report called for in the
letter no. 3333 of 14-26-59 of 11.12
re the petition of Mr Rickus Chand Bap

I have to
over
11/12/27
In witness

SUBJECT.....

Diary No. of letter replied to.....

General and Revenue Secretariat

()
the 192

Date of issue..... 17 2-17

Signed by..... *W. V. Chaudhary**It will not be possible for*

List of enclosures.....

Copied by.....

Examined by.....

*2 days*Section *g. s*File No. *14-26*Serial No. *8*No. *D. 6817 8/17/17*

To

*Mr. B. F. Salmuchand,**Banker, 166, Commercial St. Bangalore**Sir,**With reference to your**letter of 9th Nov. 1926 addressed to**Mr. H. K. Mohanaja & Son, 166, Commercial St. Bangalore**in regard to your application for**Bank of India, Bangalore City, S**are decided to state that**to ~~consider~~ name in the matter in**this is an application from the**holder of at least $\frac{1}{5}$ the number**of shares issued by the Bank.**I have to**WV 15/12*
For order.

B. F. SALUMCHUND,

(Sole Proprietor)
BANKER, AGENT

ARMY CONTRACTOR.

Tel. Address:—"SALUMCHUND"

166, Commercial Street,

Bangalore, 18th Febrary 1927.

To,

The Secretary to Government,

Development Department,

General & Revenue Secretariat,

B a n g a l o r e.

Sir,

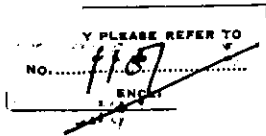
I am in receipt of your letter No D.6817/
12-2-27

JS. 14-26-8 and the contents of same noted with
thanks.

Yours faithfully,

B. F. Salumchund

GOVERNMENT OF MYSORE.



169
26-2-27

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore.....25.....2.....1927

FROM

109
26/

B. Ramaswamaiya, Esq., B.A., B.L.,
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

Registrar of Joint Stock Companies in Mysore.

EN. & REV. SECRETARY
586
20 FEB. 1927
DEVELOPMENT DEPARTMENT

To

N Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Depart-
ments, Bangalore.

With reference to your letter No. D6846/J.S.14-26-7 dated 17th February 1927 calling for a report on the petitions of Messrs. B. F. Salumchand and Reekubchand Bapnah regarding the affairs of the Mysore Industrial Bank, Limited, I have the honour to state that the only ground in Mr. Salumchand's petition on which I could interfere is the contravention of Section 103 (1) (b) of the Mysore Companies Regulation. In order to make sure whether the said Section had really been contravened (as this is a very serious matter in the face of the sworn declaration filed by Mr. Manickavelu Mudaliar in this office on 26-1-1921 and as paragraph 1 of Mr. Salumchand's petition was not clear) Mr. Salumchand was asked to state how Mr. Manickavelu Mudaliar's failure to sell 50,000 shares within a year from 23-11-1920 or to buy them at the end of one year resulted in the contravention of Section 103 (1) (b) which enacts that a company should not commence business or exercise any borrowing powers unless every Director has paid application and allotment moneys on all the shares taken or contracted to be taken by him. His reply is not satisfactory and does not afford sufficient grounds for my interference. He also requested me to have the affairs of the

Bank investigated by an Inspector. He was informed that an application from members holding not less than one-fifth of the shares issued should be submitted to Government under Section 138 (1).

(2) The matter bearing on Section 103 in Mr Reekubchand's petition is also being scrutinized. He has been asked to state whether 17,000 shares referred to in paragraph 6 of his petition formed part of 500 shares required for the minimum subscription, whether the said shares were allotted to the Directors without any obligation on their part to pay for them and whether only 33,000 shares have been allotted up-to-date subject to the payment of the whole amount thereof in cash. A reply has not yet been received. He asked for extracts from the Returns of allotments and the latest list of Shareholders filed by the Bank in this office probably for submitting an application to Government for the appointment of an Inspector. They have been supplied to him. A Reminder has been issued to him for his reply. As soon as it is received the final action that will be taken by me on his petition as well as on the petition of Mr. Salumchand will be intimated to Government.

I have the honour to be,

S i r

Your most obedient servant,

B. Ramachandran

R E G I S T R A R .

SALUMCHUND,

(Sole Proprietor)

ANCHER, AGENT

AND

MY CONTRACTOR.

Tel. Address: "SALUMCHUND"

166, Commercial Street,

Bangalore 19th March 1927

Rama Rao Esqr B.A.

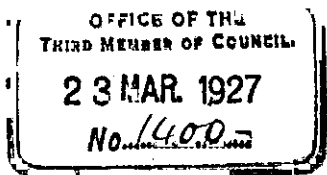
Secretary to the Govt of H H The Maharaja of Mysore

Bangalore.

Sir,

In reply to your letter dated 17th February 1927,

I have the honour to inform you that we have taken immediate steps to rectify the affairs of the Mysore Industrial Bank Ltd and hope to apply as per your order.



I have the honour to be,

Sir,

Your most obedient servt;

1 enclosure.

67

**Re the Mismanagement of
THE MYSORE INDUSTRIAL BANK, LIMITED.**

1. Mr. V. Manickavelu Moodr. having accepted to sell 50,000 shares within 12 months and has not completed the agreement dated 23rd November 1920, so he is not fit for management and he should be removed from the Managing Directorship and recover the allotment of the said shares with interest.

2. The present directors having not paid their calls and interest on the shares, not eligible for acting as directors and calling others to pay the arrears and forfeiture of their shares.

3. At the time of starting business some of the directors having not paid the allotment amount under Mysore Companies Regulation No 103 in Cash, therefore they are not allowed to start business and are entitled for loss and damages to the shareholders.

4. The present directors having distributed the existing Capital of the Bank for themselves and others actually doing no business and calling the shareholders to pay their further calls for their selfish motives and not to transact business for the Public.

5. The Government of Mysore had replied our application dated 8th November 1926 which is hereunder :—

COPY.

Government of His Highness The Maharaja of Mysore.

General and Revenue Secretariat

No. D. 6817
J. S. 1420-8

Dated, Bangalore, 17th February 1927.

From

N. Rama Rao. Esq., B. A., B. L.,

Secretary to the Government of His Highness the Maharaja of Mysore.

Development Department

To

Mr. B. F. SALUMCHUND, BANKER.

166, COMMERCIAL STREET, BANGALORE.

Sir,

With reference to your petitions dated 8th November 1926, addressed to His Highness the Maharaja and the Dewan, **Re** the affairs of the Mysore Industrial Bank Limited., Bangalore City, I am directed to state that it will not be possible for Government to move in the matter unless there is an application from the holders of at least 1/5th the number of shares issued by the Bank.

I have the honour to be,

Sir,

Your most obedient Servant,

Signed.....

For Secretary to Government,
Development Departments

NOTICE.

A special meeting of the shareholders of the MYSORE INDUSTRIAL BANK, LTD., Ahmed Buildings, Bangalore City, will be held at the OSMANIA BUILDING, Mysore Road, Bangalore City on Sunday the 27th March 1927, at 4-30 p.m. precisely, to protest the forfeiture of the shares by the final notice of the Bank dated 1st October 1926.

You are requested either to attend personally or by proxy.

1. H. Reekubchund Bapnah.
2. B. F. Salumchund Golacha, Banker.
3. Hajee Zakkaria Sait,
4. C. M. Abdul Aziz Pasha.
5. M. Jelal Rashid Shah.

A G E N D A .

1. To request the Registrar of the Joint Stock Companies in Mysore to appoint an Inspector, to inspect the accounts of the Bank as the shareholders have no confidence in the management of the present Directors.

2. To elect 10 more Directors to fill the vacant seats on the board with an experienced Secretary on allowance and a paid Manager as before.

3. To amend the articles of the association as follows :—
Article 30. add "on completion of the issued shares" after the existing article.

Article 95. Increase the number of Directors from 4 to 9 to form a reasonable quorum and read "The number of Directors shall not be less than 9 nor more than 15.

4. The Directors on election shall be asked to uphold the calls already paid to the bank and allow the same amount to be deposited in the Fixed Deposit a/c with the bank at 7% interest, transferring annually till the completion of the allotment of (2½ lacs ordinary shares) the issued Shares, for the time being Rs. 40 each in 20 instalments, after allotment.

5. And to transact other business.

All the correspondence be addressd to

B. F. SALUMCHUND, BANKER,

166, COMMERCIAL STREET, BANGALORE.

Bangalore,
29th March 1927.

From,

Dr. C. S. Rama Rao,

Ripon Pharmacy, Chickpet,

Bangalore. City.

g. S. 14 - 26 - 10
N. Rama Rao Esqr B.A., B.L.,

Secretary to the Govt. of H H the Maharaja of Mysore,

Development Department,

Bangalore.

Sir,

I beg to forward herewith for favour of your perusal a copy of the proceedings of the Special Meeting of the shareholders held on Sunday the 27th instant at 4-30 p.m. in Oosmania Buildings, Hoskote Road, Bangalore, City.

I also request that you will be pleased to appoint an Inspector to inspect the accounts of the Bank and to investigate into the affairs of the Bank in as much as we have fulfilled the provisions of Section 138 (1) of the Mysore Companies Regulation and also the stipulations in the letter^x from the Development Secretary to Government.

The holders of 12,898 shares voted either in person or by proxy at the meeting which is more than one-fifth of the total number of shareholders issued by the Bank, namely 51,223 as per their balance sheet dated 31st December 1926.

The Sub-Committee appointed by the shareholders will be glad to assist the Inspector in his arduous work.

I beg to remain,

Sir,

Your most obedient servant,

C. S. Rama Rao
Chairman of the meeting.

Proceedings of the special meeting of the share-holders of The Mysore Industrial Bank, Ltd., held on Sunday the 27th March 1927 at 4-30 P.M. in the Cosmania Buildings, Hoskote Road, Bangalore City.

The following members in addition to the proxies were present:-

1. Mr. H. Rukub Chund.	1083 Shares.
2. " A. Abdul Wahab.	5 "
3. " B. F. Slumchund.	1085 "
4. " Jalal Rasheed Sab.	1 "
5. " Hajee Zaakria Sait.	110 "
6. " K. Narayanasawmy Iyer.	10 "
7. " Chabeel Das.	50 "
8. " P. Mallappa.	5 "
9. " G. Jaganath Singh.	5 "
10. " H. Rangasamiah.	50 "
11. " Magjee Chinnasa & Son.	20 "
12. " Ameer Hussain.	250 "
13. " K. Naganna Appajappa.	50 "
14. " C. S. Rama Rao.	6 "
15. " K. Nagappa Munisamiah Setty.	10 "
16. " J. Mariappa.	10 "
	2,750 "

The proxies numbering 9,348 are as per list attached.

Resolution I. Proposed by Mr. B. F. Salumchund and seconded by Jalal Rasheed Sab that Mr. C. S. Rama Rao be requested to take the chair.

Passed unanimously.

Resolution II. Proposed by Mr. K. Narayanswamy Iyer that this meeting strongly protests against the action of the Board of Directors in having resolved to forfeit the shares of the defaulters as intimated in the notice issued by the Bank dated 1-10-1926, for the reasons mentioned in the appended note presented by the proposer.

Seconded by H. Rukubchund

Carried unanimously.

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Resolution III. Proposed by Mr. B. F. Salumchund Golacha that, in view of the mis-management of the Bank, the Registrar of Joint Stock Companies be requested to appoint an Inspector to inspect the accounts of the Bank and investigate into the present state of affairs with the aid of the following Sub-Committee.

- Mr. J. Rukubchund.
- " B. F. Salumchund.
- " Ameer Hussain.
- " K. Narayansamy Iyer.
- " H. Rangasamiah.
- " C. S. Rama Rao.

Seconded by Mr. Naganna Appajappa.

Carried unnnimously.

Resolution IV. Proposed by Mr. Abdul Wahab Sab that the consideration of the Agenda item Nos. 2, 3, & 4 be deferred sine die pending investigation by the Government. Seconded by Mr. Rangasamiah.

Carried unanimously.

Resolution V. Proposed by Mr. Mallappa that the Chairman of the meeting be requested to send a suitable reply to Government letter No. D.6817/ 3.1420-8 Dated 17-2-27 and also forward the copies of the resolutions to the Government and the Registrar.

Seconded by Chinnsa & Son.
Carried unanimously.

Resolution VI. Proposed by Mr. H. Rukub Chund Bapnah that this meeting request the Registrar of Joint Stock Companies to restrain the Bank from lending or borrowing afresh pending the inspection and investigation by the Inspector and request the Chairman to address the Registrar in the matter.

Seconded By Mr. B. F. Salumchund.
Carried unanimously.

Resolution VII. Proposed by Mr. Chabeel that the Sub-Committee above mentioned be authorised to collect from the Share-holders such funds as they deem fit for purpose of depositing the money that may be necessary for inspection and other incidental charges.

Seconded by Mr. Jagannath Singh.
Carried unanimously.

(sd.) C. S. Rama Rao.

27th March 1927.

Chairman.

72

Mr. K. Narayanasami Iyer's note in support of Resolution II.

The reasons for our protest against the forfeiture of shares as per resolutions of the Board of Directors and as intimated in their Notice dated 1st October 1926 (hereto attached) are as follows:

(a) The agreement of Messrs. Manickavelu & Son with the founders dated about the 23rd November 1920, to either sell or purchase themselves 50,000 shares within one year from the said date has not been carried out. Therefore, the Directorate is precluded from making further calls or to change ^{the} interest thereon.

(b) The calls have not been uniformly made as is evident from the fact that only some of the share-holders have been called upon to pay the call amounts while others have been left off. The ~~calls~~ ^{calls} are, therefore, invalid.

(c) The Bank transacts no business with the Public in General, as almost all the Capital amount has been utilised by the firm of Managing Director, his relatives and friends.

(d) The shares have been transferred on no fixed Principles, whereas the completion of calls is not insisted upon in certain cases it is made compulsory in others.

(e) Even the shares that have been actually transferred are not so entered in the Transfer Register. Though the transferar has ceased full connection with the Bank, the books continue to show the name of the Original holder without his knowledge.

(f) The Bank itself has done under writing work, but the Commission has been given to Mr. Manickavelu Mudaliar. This commission refers to the sale of extra holdings to which he is not entitled as he has not as stipulated, completely sold up the number.

(g) As per Balance sheet of 31st December 26, the debts considered good for which the Bank is fully secured is about 2 Lakhs. But about 6 Lakhs have been lent on Pronotes and bills for which the share-holders have no security whatsoever.

P. S. Referring to (f) above, the share-holders present took no objection to under-writing commission having been paid on the 33,000 and odd shares originally sold but commission being paid on the sale of the extra holding as the whole stipulated number of 50,000 shares had not been completed as per Managing Director's letter dated 23rd November 1920.

(sd). K. Narayanasawmy Iyer.
27-3-1927.

I seconded,

(Sd.) C. S. Rama Rao.

(Sd) H. Rukubchund Bapnah.

S.No.	Date of Proxy.	Name of share-holders.	Proxy given to	No.of shares.	Station.
1.	14th March '27	B.N.Vijayadeva.	H.Rukubchund.	1083	Bangalore.
2.	15th	" Charles.Lister.	B.F.Salumchund.	983	Bombay.
3.	20th	" K.Kadambi.	H.Rukubchund.	1080	Mysore.
4.	18th	" H.F.Commisariat.	B.F.Salumchund.	1083	Bombay.
5.	12th	" M.Y.Ameerhussain.Zackria&B.F.Sait		250	Bangalore.
6.	18th	" AzeezPacha Sab.	B.F.Salumchund.	250	Mysore.
7.	18th	" F.S.Neelakantiah.	-do-	300	"
8.	18th	" N.Seetharamiah.	-do-	100	"
9.	17th	" Mohamed Sait.	-do-	250	"
10.	17th	" A.S.S.Chenniah.	-do-	250	"
11.	16th	" Zackria Sait.	Hajee Zackria.	333	Bellary.
12.	16th	" G.AnrajShankala.	B.F.Salumchund.	250	Coonoor.
13.	17th	" K.Dadabhoy.	-do-	200	Karachi.
14.	21st	" M.R.Sivarami&r.	-do-	250	Chalapuram.
15.	16th	" Hakim Singh.	-do-	100	Amritsar.
16.	17th	" S.Byrappa.	-do-	50	Honnavailli.
17.	17th	" M.R.Nagappa Chetty.	-do-	50	Chukmagalur.
18.	19th	" H. Gireappa		50	Mysore.
19.	18th	" V.A.Tiruvengada Mudlr.	-do-	50	"
20.	17th	" M.K. Ebrahim.	-do-	50	"
21.	17th	" C.K.Kempiah.	-do-	50	"
22.	15th	" K.V.Ramanujaiyengar.	-do-	50	Bangalore.
23.	14th	" T.K.LakshminarayanaIyer.	-do-	50	Tiruvadi.
24.	18th	" M.C.Shamiah&Subanna.	-do-	50	Mysore.
25.	18th	" A.Manicka Mudaliar.	H.Rukubchund.	50	Bangalore.
26.	20th	" Azeez Mohamed.	B.F.Salumchund.	90	Chennapatna.
27.	20th	" M.Ponlalal & Sons.	H.Rukubchund.	20	Bangalore.
28.	20th	" T.V.Sundra Iyer.	-do-	20	Calicut.
29.	15th	" Albert G.Puech.	B.F.Salumchund.	20	Meerut.
30.	15th	" T.N.KrishnasamyIyengar.	-do-	20	Tangali.
31.	16th	" M.ValidadKhan Mundoji.	-do-	20	Hyderabad.
32.	18th	" Appu Setti.	H.Rukubchund.	20	Mysore.

S.No.	Date of Proxy.	N a m e.	Proxy to.	No.of shares.	Station.
53.	17th March.27.	K.Basappa.	B.F.Salumchund.	20	Mysore.
54.	15th	" B.F.Reinant.	-do-	20	Howrah.
55.	16th	" D.Rama Rao.	-do-	20	Tumkur.
56.	18th	" S.Velayudam.	Hajee.ZackriaSait.	20	Bangalore.
57.	18th	" C. Puttiah.	B.F.Salumchund.	10	Mysore.
58.	18th	" S.Vital Rao & Son.	-do-	10	"
59.	22nd	" Zaraboi widow .	H.Rukubchund.	10	
40.	23rd	" HeerachundRajmull.	-do-	10	Bangalore.
41.	18th	" M.Siddalingiah.	B.F.Salumchund.	5	Mysore.
42.	17th	" H.MohamedGhouse.	-do-	5	"
43	18th	" N. Sutwajee Rao,	-do-	5	"
44	14th.	" Major A. R. Hartley	-do-	25	Bangalore
45	18th.	" Aneed Khan Saib	H. Reecubchund	25	Mysore
46	18th.	" Sreekunta Rao	B. F. Salumchund	25	"
47	18th.	" G. Ahmed Khan	-do-	25	"
48	18th.	" S. Vittal Rao	-do-	25	"
49	15th.	" S. Linganna	-do-	25	"
50	15th.	" B. Syed Ibrahim	H. Reecubchund	25	Bangalore
51	20th."	Rao Saheb A.S. Alaganna Chetty	B. F. Salumchund	25	Bodinayakanur
52	22nd."	Abdul Satharkhan Durani	H.Reecubchund	25	Mysore
53	24th."	R. T. Santhi	B.F.Salumchund	20	Bangalore
54	19th."	Rao Bhadur Harnmull Ramohander Jhangiri Sait	H. Reecubchund	20	Sind Hyderabad
55	21st."	M.Ramakrishnappa	B.F.Salumchund	20	Chikmagalur
56	22nd.	" Md.Rayazadin Ahmed Alias Badha Saheb	-do-	5	Chennapatna
57	"	" Md.Azizudin Ekbal Alias Azeez Badsha	-do-	5	-do-
58	"	" Basapur Lakeman Rao	-do-	2	-do-
59	"	" Hondargapay Nanjundiah	-do-	1	-do-
60	23rd.	" Yaddalam Subbiah Chetty	H.Reecubchund	75	Bangalore
61	21st.	" A.D.Pannalal	-do-	100	-do-
62	15th.	" V. Ashambeg	B.F.Salumchund	5	-do-

	14th.March.	Nemichund Valechund	H.Reecubchund	50	Bangalore
	81st. "	A. Abdul Wahab Saib	Hajee Zackria Sait	5	"
65	15th. "	Gulam Mohideen	H. Reecubchund	50	"
66	" "	B. Syed Abdul Gaffur	-do-	25	"
67	12th. "	G. Ramiah	B.F.Salumchund	5	"
68	22nd. "	M.Abdul Rahim	-do-	5	"
69	12th. "	B.Syed Abdul Wahab	-do-	2	"
70	15th. "	J.Y.D.Thimmaroya Chetty	-do-	50	"
71	24th. "	Vijayandra Rao Hanumantha	H.Reecubchund	2	Robertson
72.	24th. "	H.Venkoba Rao	B.F.Salumchund	25	Chickmagla
73.	20th. "	L.Kalieswara Aiyer	-do-	20	Parannagud
74.	24th. "	F.Basaviah	H.Reecubchund	50	Tiptur
75.	24th. "	D.S.Mallappa	-do-	15	"
76.	" "	G.Krishna Chetty	"	50	"
77.	" "	G.K.Mallappa	"	250	"
78	" "	G.Chikkathimmyya	"	20	"
79	" "	H.Krishna Chetty	"	25	"
80	26th. "	Nanjappa	B.F.Salumchund	40	Ashalli.
81.	25th. "	Domnick D'Souza	"	25	Madras
82.	27th. "	S.Kodandaramiah	H.Reecubchund	10	B.City
83.	26th. "	S.Rama Rao	"	5	"
84.	15th. "	Hanumanthappa	B.F.Salumchund	20	"
85.	25th. "	Maganlal Valechund	H.Reecubchund	50	Tiptur
86.	25th. "	Abdul Kareem Sait		360	Bellary
87	24th. "	Krishna Chetty	B.F.Salumchund	10	Bangalore
88.	26th. "	Basaviah	H.Reecubchund	10	Tiptur
89.	24th. "	B.Nanjundiah	"	25	"
90	23rd. "	Dhoolchund	"	1	Robertsonpe
91.	" "	H.B.Chunnilal	"	1	"
92.	22nd. "	Sanvaldas Rastop	B.F.Salumchund	20	Delhi
93.	26th. "	Chabbildas Dyabhai	"	50	Bangalore(P
94.	24th. "	S.A.Parthasarathi Moodr:	"	25	Madras
95	24th. "	Thirumalai Sreenivasachar	H.Reecubchund	20	Kolar
96.	25th. "	Rangachari	"	20	Madras
97.	26th. "	Mahomed Pheer	Hajee Zackria Sait	5	Bangalore

98.	27th.Mar:	S.R.Narasimha Iyengar	B.F.Salumchund	20	Bangalore
9.	26th. "	N.Krishnasawmy Moodr:	"	100	Shimoga
100	27th. "	C.M.Abdul Sattar	H.Reescubchund	100	Bangalore
101	24th. "	K.Mithiah Moodr:	"	2	"

9653

Less Parties present at the Meeting

305

(250 - 50 & 5 -- 305)

TOTAL

9348.

G. R. S. Rao

CHAIRMAN

Bangalore, 27th.March, 1927.

GOVERNMENT OF MYSORE.

78

IN REPLY PLEASE REFER TO
NO. C 48/27-28
ENCL. 4

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore... 11th April... 1927
72

FROM

WR 13 4 27
WR 13 4
B. Ramaswamaiya, Esqr., B.A., B.L.,

~~XXXXXX THE VAGARAJA XXXX XXXX XXXX~~

Registrar of Joint Stock Companies in Mysore.

REV. 6728
DEPARTMENT

To

N. Rama Rao, Esqr., B.A., B.L.,
Secretary to Government of Mysore,
Development Departments, Bangalore.

Sir,

I have the honour to forward herewith a copy of letter dated 29th March 1927 together with a copy of its enclosures in original received from Dr. C.S. Rama Rao, Ripon Pharmacy, Chikpet, Bangalore City.

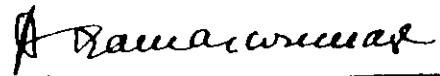
2. In paragraph 2 of the letter it will be seen that I am requested to appoint an Inspector to investigate the affairs of the Mysore Industrial Bank, Ltd., stating that the provision of section 138 (1) of the Mysore Companies Regulation and the stipulations contained in your letter No.D 6817/J.S.14-26-8 dated 17th February 1927 have been fulfilled. The resolution connected with this i.e. Resolution 111 on page 3 of the Enclosures also requests that the Inspector may investigate the affairs with the aid of a sub committee consisting of 6 persons.

3. From the papers submitted to me in this connection, I do not consider the meeting held on the 27th March as a valid meeting of the Bank as the provisions of the Regulation and the Articles of Association of the Bank for convening meetings have not been complied with. It has therefore been taken as a meeting of certain persons who happen to be shareholders, convened for the purpose of requesting me for the appointment of an Inspector. At such a meeting proxies are not allowed.

allowed Moreover section 138 appears to contemplate that the application should be signed by members holding not less than one-fifth of the shares issued In the above circumstances I have informed Dr. C.S. Rama Rao, that he should submit a fresh application signed by members holding not less than one-fifth of the shares issued. Further necessary action will be taken on its receipt.

4. As regards Resolution No. ~~IX~~ VI Dr. Rama Rao has been informed that the Regulation does not empower me to issue orders restraining a company from lending or borrowing.

I have the honour to be,
Sir,
Your most obedient servant,



Registrar of Joint Stock
Companies in Mysore.

HR

Copy of letter dated 29th March 1927 from Dr. C. S. Rama Rao, Ripon Pharmacy, Chickpet, Bangalore City to the Registrar of Joint Stock Companies in Mysore, Bangalore.

I beg to forward herewith for favour of your perusal a copy of the proceedings of the special meeting of the Shareholders held on Sunday the 27th instant at 4-30 P.M. in Oosmania Buildings, Hoskote Road, Bangalore City.

I also request that you will be pleased to appoint an Inspector to inspect the accounts of the ~~Bankx~~ Bank and to investigate into the affairs of the Bank in as much as we have fulfilled the provisions of Section 138 (1) of the Mysore Companies Regulation and also the stipulations in the letter No.6817/J.S.1420-8 dated 17-2-1927 from the Development Secretary to Government.

The holders of 12,140 shares voted either in person or by proxy at the meeting which is more than one-fifth of the total number of shareholders issued by the Bank namely 51,223 as per their balance sheet dated 31st December 1926.

The Sub-Committee appointed by the shareholders will be glad to assist the Inspector in his arduous work.

"C O P Y"



For Registrar.

923/

Copy of the Proceedings of the special meeting of the Share-holders of the Mysore Industrial Bank, Ltd., held on Sunday the 27th March 1927 at 4-30 P.M. in the Cosmania Buildings, Hoskote Road, Bangalore City.

The following members in addition to the proxies were present:-

1. Mr. H. Rukub Chand.	1023 shares.
2. " A. Abdul Wahab	5 ..
3. " B. F. Salumchand	1085 ..
4. " Jalal Rasheed Sab	1 ..
5. " Hajee Zackaria Sait	110 ..
6. " K. Narayanaswamy Iyer	10 "
7. " Chabeel Das	50 ..
8. " P. Mallappa	5 ..
9. " G. Gaganath Singh.	5 ..
10. " H. Rangasamiah.	50 ..
11. " Magjee Chinnasa & Son	20 ..
12. " Ameer Hussain	250 ..
13. " K. Naganna Appajappa.	50 ..
14. " C. S. Rama Rao	6 ..
15. " K. Nagappa Muniswamiah Setty	10 ..
16. " J. Mariappa.	10 ..

	2,750 shares

The proxies numbering 9,348 are as per list attached.

Resolution I. Proposed by Mr. B. F. Salumchand and Seconded by Jalal Rasheed Sab that Mr. C. S. Rama Rao be requested to take the chair.

Passed unanimously.

Resolution II. Proposed by Mr. K. Narayanaswamy Iyer that this meeting strongly protests against the action of the Board of Directors in having resolved to forfeit the shares of the defaulters as intimated in the notice issued by the Bank dated 1-10-1926, for the reasons mentioned in appended note presented by the proposer.

Seconded by Mr. H. Rukubchand Eapnah.

Carried unanimously.

Resolution III. Proposed by Mr. B. F. Salumchand Tolacha that in view of the mis-management of the Bank the Registrar of Joint Stock Companies be requested to appoint an Inspector to inspect the accounts of the Bank and investigate into the present state of affairs with the aid of the following Sub-Committee.

Mr. H. Reekutchand.
 .. B. F. Salumchand.
 .. Ameer Hussain.
 .. K. Narayanaswamy Iyer
 .. H. Rangaswamiah.
 .. C. S. Rama Rao

Seconded by Mr. Naganna Appajappa.

Carried unanimously.

~~Resolution IV. Proposed by Mr. Mallappa that the~~

~~Chairman of the meeting be requested to send a suitable~~
~~reply~~

Resolution IV. Proposed by Mr. Abdul Wahab Sab that the consideration of the Agenda item Nos. 2, 3 and 4 be deferred sine die pending investigation by the Government. Seconded by Mr. Rangasamiah.

Carried unanimously.

Resolution V. Proposed by Mr. Mallappa that the Chairman of the meeting be requested to send a suitable reply to Government letter No. J.6817/S.1420-8 dated 17-2-1927 and also forward the copies of the resolutions to the Government and the Registrar.

Seconded by Chinrasa & Son.
Carried unanimously.

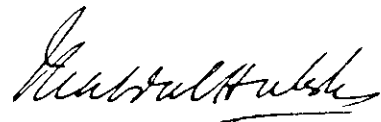
Resolution VI. Proposed by Mr. Y. Rukub Chand Bapnah that this meeting request the Registrar of Joint Stock Companies to restrain the Bank from lending or borrowing afresh pending the inspection and investigation by the Inspector and request the Chairman to address the Registrar in the matter.

Seconded by Mr. B. E. Salunehind.
Carried unanimously.

Resolution VII. Proposed by Mr. Chateel that the Sub Committee above mentioned be authorized to collect from the share-holders such funds as they deem fit for purpose of depositing the money that may be necessary for inspection and other incidental charges.

Seconded by Mr. Jaganath Singh.
Carried unanimously.

(Sd)xxx



For Registrar.

Mr. K. Narayanasami Iyer's note in support of Resolution II.

The reasons for our protest against the forfeiture of shares as per resolutions of the Board of Directors and as intimated in their notice dated 1st October 1926 (hereto attached) are as follows:

(a) The agreement of Messrs. Manickavelu & Son with the founders dated about the 23rd November 1920, to either sell or purchase themselves 50,000 shares within one year from the said date has not been carried out. Therefore, the Directorate is precluded from making further calls or to change interest thereon.

(b) The calls have not been uniformly made as is evident from the fact that only some of the share-holders have been called upon to pay the call amounts while others have been left off. The calls are therefore, invalid.

(c) The Bank transacts no business with the Public in General as almost all the Capital amount has been utilised by the firm of Managing Director, his relative and friends.

(d) The shares have been transferred on no fixed principles whereas the completion of calls is not insisted upon in certain cases, it is made compulsory in others.

(e) Even the shares that have been actually transferred are not so entered in the Transfer register. Though the transferer has ceased full connection with the Bank, the books continue to show the name of the original holder without his knowledge.

(f) The Bank itself has done under writing work but the commission has been given to Mr. Manickavelu Madaliar. This commission refers to the sale of extra holdings, to which he is not entitled as he has not, as stipulated, completely sold ~~by~~^{up} the number.

(g) As per Balance sheet of 31st December 1926, the debts considered good for which the Bank is fully secured is about 2 lakhs. But about 6 lakhs have been lent on Pronotes and bills for which the share-holders have no security whatsoever.

P.S. Referring to (f) above, the shareholders present took no objection to under-writing commission having been paid on the sale of the extra holding as the whole stipulated number of 50,000 shares had not been completed as per Managing Director's letter dated 23rd November 1920.

and odd Shares originally sold but commission being paid, on the

(Sd) K. Narayanaswamy Iyer
27-3-1927.

I seconded.

(Sd) H. Rukubchand Bapnah.

'C O P Y'



For Registrar.

84

No.	Date of Proxy.	Name of share-holders.	Proxy given to	No. of shares.	Station.
1.	14-3-1927.	B.N.Vijayadēva.	H. Rukubchand.	1083	Bangalore.
2.	15-3-1927	Charles Lister.	B.F. Salumchand.	983	Bombay.
3.	20-3-1927	K. Kadambi.	H. Reekubchand	1080	Mysore.
4.	18-3-1927.	H. F. Commisariat.	B.F. Salumchand	1083	Bombay.
5.	12-3-1927	M.Y.Ammerhussain.	Zackria Sait.	250	Bangalore.
6.	18-3-1927	Azees Patcha Sahib.	B.F.Salumchand.	250	Mysore.
7.	18-3-1927.	T.S. Neelakantiah.	-do-	300	..
8	18-3-1927.	N. Seetharamiah	-do-	100	..
9	17-3-1927	Mohamed Sait	-do-	250	..
10	17-3-1927	A. S. S. Chenniah.	-do-	250	..
11	16-3-1927	Zackria Sait.	Hajee Zackria	383	Bellary.
12	16-3-1927	G.AnrajShankala	B.F.Salumchand.	250	Coonoor.
13	17-3-1927	K. Dadabhoy	-do-	200	Karachi.
14	21-3-1927	M. R. Sivarama Iyer	-do-	250	Chalapuram.
15	16-3-1927	Hakin Singh.	-do-	100	Amritsar.
16	17-3-1927	S. Byrappa	-do-	50	Honnnavalli.
17	17-3-1927	M. R. Nagappa Setty	-do-	50	Chikmagalur.
18	19-3-1927	H. Giriyappa	-do-	50	Mysore.
19	18-3-1927	V. A. Tiruvengada Mudaliar	-do-	50	Mysore
20	17-3-1927	M. K. Ebrahim	-do-	50	Mysore
21	17-3-1927	C. K. Kempiah	-do-	50	..
22	15-3-1927	K.V.Ramnuja Iyengar	-do-	50	Bangalore
23	14-3-1927	T.K.Lakshminarayana Iyer	Tiruvadi -do-	50	Tiruvadi.
24	18-3-1927	M.C. Shamiah & Subanna.	Salumchand	50	Mysore.
25	18-3-1927	A. Manicka Mudaliar.	H.Reekumchand	50	Bangalore
26	20-3-1927	Azeem Mohamed.	B.F. Salumchand.	90	Chennapatna.
27	20-3-1928	M. Ponlalal & Sons.	H.Reekubchand	20	Bangalore.
28	20-3-1927	T.V. Sundara Iyer	-do-	20	Calicut.
29	15-3-1927	Albert G. Puech.	B.F.Salumchand.	20	Meerut.
30	15-3-1927	T.N.Krishnaswamy Iyengar	-do-	20	Tangali.
31	16-3-1927	M.Validakhan Mandoji.	-do-	20	Hyderabad.
32	18-3-1927	Appu Setty.	H. Reekubchand.	20	Mysore.
33.	17-3-1927	K.Basappa	B.F.Salumchand	20	Mysore.
34	15-3-1927	B.F.Reinant	-do-	20	Howrah.
35	16-3-1927	D.Rama Rao	~~Zackria Sait~~ -do-	20	Tumkur.
36	18-3-1927	S. Velayudam	Hajee Zackria Sait	20	Bangalore.
37	18-3-1927.	C. Puttiah.	B.F. ~~Salumchand~~ -do-	10	Mysore.
38	18-3-1927	S. Vital Rao & Son	-do-	10	Mysore.
39	22-3-1927	Zaraboi widow.	H. Rukubchand	10	Mysore.
40	23-3-1927	Heerachund Rajmull.	-do-	10	Bangalore.
41	18-3-1927	M. Siddalingiah.	B.F. Salumchand	5	Mysore.
42	17-3-1927	M. Mohamed Ghouse.	-do-	5	..
43	18-3-1927	N. Sutwajee Rao	-do-	5	..
44	14-3-1927	Major A.R.Hartley	-do-	25	Bangalore.
45	18-3-1927	Ameed Khan Sahib.	H. Reekubchand	25	Mysore.
46	18-3-1927	Sreekunta Rao	B.F. Salumchand	25	Mysore.
47	18-3-1927	G. Ahamed Khan	-do-	25	Mysore.
48	18-3-1927	S. Vittal Rao	-do-	25	Mysore.
49	15-3-1927	S. Linganna	-do-	25	Mysore.
50	15-3-1927	B. Syed Ibrahim	H. Reekubchand	25	Bangalore.
51	20-3-1927	Rao Saheb A.S. Alaganna setty.	B.F.	25	Bodinayakmur.
52	22-3-1927	Abdul Satharkhan)	Salumchand.		
		Dhurani.	H.Reekubchand.	25	Mysore.
53	24-3-1927	R.T. Santhi	B.F. Salumchand.	20	Chikmagalur.
54	19-3-1927.	Rao Bahadur Harnmull	H.Reekubchand.	20	Sind,
		Ramchander Jhangiri Sait.			Hyderabad.
55	21-3-1927	M. Ramakrishnappa.	B.F. Salumchand	20	Chikmagalur.
56	22-3-1926	Ed. Rayazadin Ahmed			
		Alias Badha Saheb	-do-	5	Chennapatna.
57	..	Ed. Azizudin Ekbal Alias			
		Azeez Badsha.	-do-	5	Chennapatna.
58	..	Bazapur, Lakshman Rao	-do-	2	-do-
59	..	Hondargapay Nanjundiah	-do-	1	-do-
60	23-3-1927	Yadalam Subbiah Setty.	H. Reekubchand.	75	Bangalore.
61	21-3-1927	A. D. Pannalal.	-do-	100	-do-
62	15-3-1927	V. Ashambeg	B.F. Salumchand.	5	-do-
63	14-3-1927	Nemichand Valchand.	H.Reekubchand.	50	-do-
64	21-3-1927	A.Abdul Wahab Saib.	Hajee Zakria Sait.	5	-do-

85

65.	15-3-1927.	Gulam Mohidin.	H. Reekubchand.	50	Bangalore.
66.	15-3-1927.	B. Syed Abdul Garfoor	-do-	25	Bangalore.
67.	12-3-1927.	G. Ramiah	B.F.Salumchand	5	"
68.	22-3-1927.	M. Abdul Rahim.	-do-	5	"
69.	12-3-1927.	B. Syed Abdul Wahab	-do-	2	"
70.	15-3-1927.	J.Y.D. Thimmaraya Setty	-do-	50	"
71.	24-3-1927.	Vijayandra Rao Hanumantha.	H. Reekubchand.	2	Robertsonpet.
72.	24-3-1927.	H.Venkoba Rao.	B.F.Salumchand.	25	Chikmagalur.
73.	20-3-1927.	L. Kalieswara Iyer	-do-	20	Parannagudi.
74.	24-3-1927.	F. Basaviah.	H. Reekubchand.	50	Tiptur.
75.	24-3-1927.	D.S. Mallappa	-do-	15	Tiptur.
76.	"	G.Krishna Setty	-do-	50	"
77.	"	G. K. Mallappa.	-do-	250	"
78.	"	G. Chikkathimmayya	-do-	20	"
79.	"	H. Krishna Chetty	-do-	25	"
80.	26-3-1927.	Nanjappa.	B.F.Salumchand.	40	Ashalli.
81.	25-3-1927.	Domnick D'Souza	-do-	25	Madras.
82.	27-3-1927.	S. Kodaandaramiah.	H. Reekubchand.	10	Bangalore City
83.	26-3-1927.	S. Rama Rao	H. Reekubchand	5	"
84.	25-3-1927.	Hanumanthappa.	B.F.Salumchand.	20	"
85.	25-3-1927.	Maganlal Valechand.	H. Reekubchand.	50	Tiptur.
86.	25-3-1927.	Abdul Kareem Sait	"	360	Bellary.
87.	24-3-1927.	Krishna Setty	B.F. Salumchand.	10	Bangalore.
88.	26-3-1927.	Basaviah.	H. Reekubchand.	10	Tiptur.
89.	24-3-1927.	B. Nanjundiah.	"	25	Tiptur.
90.	23-3-1927.	Dhoolchand.	"	1	Robertsonpet.
91.	"	H. B. Chunilal	"	1	Robertsonpet.
92.	22-3-1927.	Sanvaldas Dyabhai	B.F. Salumchand.	20	Delhi.
93.	26-3-1927.	Chabildas Dyabhai	"	50	Bangalore City
94.	24-3-1927.	S.A. Parthasarathy Mudr.	"	25	Madras.
95.	24-3-1927.	Tirumalai Sreenivasachari.	Reekubchand.	20	Kolar.
96.	25-3-1927.	Rangachari	"	20	Madras.
97.	26-3-1927.	Mohamed Pheer	Hajee Zackria Sait.	5	Bangalore.
98.	27-3-1927.	S.R. Narasimha Iyengar.	B.F.Salumchand	20	Bangalore.
99.	26-3-1927.	N. Krishnaswamy Mudaliar	"	100	Shimoga.
100.	27-3-1927.	C.M. Abdul Sattar.	H. Reekubchand	100	Bangalore.
101.	24-3-1927.	K. Muthiah Mudaliar.	"	2	"

9653

Less parties present
at the meeting.

305

Total

9348

(250 - 50 & 5 -- 305)

Sd/- C. S. Rama Rao
Chairman.

Bangalore, 27th March 1927.

WR
17527
725
GEN. & P.M. COMM. DEPT.
18 MAY 1927
DEVELOPMENT BRANCH

Bangalore City,
16th. May, 1927.

J. S. 14 - 26

WR
17527
From,

Dr. C. S. Rama Rao,
Ripon Pharmacy,
Chickpet, Bangalore City.

To,
The Registrar of
Joint Stock Companies in Mysore,
Bangalore.

Sir,

In reply to your Memo No.29/27-28 dated 6th. April 1927, I beg to forward herewith the application signed by more than one fifth of the Shareholders of the Mysore Industrial Bank Ltd., for your kind acceptance and doing the needful in the matter of investigating of accounts by a competent authority with the help of the Committee as suggested in my letter. (V.S. 111)

Hope you would in the interest of Shareholders expedite the matter.

I beg to remain,

Sir,

Your most obedient servant.

C. S. Rama Rao

ff. 38: 3155 Shares
not B applied 7955 "
Total 11110. Shares

Copy forwarded to N. Rama Rao Esqr., B.A.B.L
Secretary, to the Government of His Highness
The Maharaja of Mysore, Development Deptt

87
9.5.14-26

Ahmed Buildings,
Chickpet,
Bangalore, 17th May 1927.

7803
GEN. & REV. SECRETARY
19 MAY 1927
DEVELOPMENT BRANCH

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Govt., of
H.H.The Maharaja of Mysore,
Development Department, Bangalore.

Sir,

Re. The Mysore Industrial Bank,Ltd.,
and
The Mahalakshmi Woollen & Silk Mills,Co.Ltd.
=====

I enclose herein copy of my letter of date address
to the Dewan of Mysore on the above subject for your kind in
formation and such action as you may deem fit in the matter.

I have the honour to be,

Sir,

Your most obedient servant,

V. C. Srinivasan
K. S. Srinivasan

Encl.1.

Government will greatly aid to the prestige and utility of the concerns besides being helpful to the general improvement of industries in the country. I will therefore respectfully request the Government to consider this question carefully and to devise such ways and means as to render the institutions to be of real help to industrial enterprises in the land. An early answer will be greatly appreciated.

I have the honor to be,

Sirs,

Your most obedient servant,

*submitted by me
K S Jayaraman Esq.
He has been heard that
no notice can be
taken if this
unless he brings
a vakalat*

91
Bangalore, 18th May 1927.

from
K. S. Jaya Rama Iyer, Esq., B.A., B.L.,
High Court Vakil,
C/o. The Mysore Industrial Bank, Ltd.,
Ahmed Buildings,
Chickpet, Bangalore City.

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of
H. H. The Maharaja of Mysore,
Development Department,
Bangalore.

788
GEN. & REV. SECRETARIAT,
19 MAY 1927.
DEVELOPMENT BRANCH.

g. s. 14 - 26 - 13

Sir,

I have been requested by the Mysore Industrial Bank, Limited, to bring to your kind notice the following facts:-

One Mr. B. r. Salamchand, a Shareholder of the Mysore Industrial Bank, Ltd., appears to have addressed the Government and the Registrar of Joint Stock Companies on 29/2/1927 to order an investigation into the affairs of the Bank. I also understand that the Registrar has ordered that 'the application for the appointment of an Inspector should be signed by members holding not less than one-fifth of the Shares issued.' In accordance with this order, the said Mr. Salamchand is circulating certain notices and forms for the signature of Shareholders.

I wish to state that Mr. Salamchand is not only a - - defaulter in respect of the 3rd Call on his 1085 Shares but also owes a further sum of Rs. 26,000/- and odd to the Bank for moneys lent on pronotes. As the Bank has been compelled to file a suit against him for recovery of part of the amount lent, he is evidently attempting to wreck the Bank by all kinds of questionable and illegal actions. The said Mr. Salamchand was a Director from the very inception of the Bank till about April 1925 when he resigned. The affairs of the Bank, as a reference to the Balance Sheets will show, is in a very prosperous condition. The said Mr. Salamchand has joined certain malcontents who are also defaulters in the Bank.

Mirza H. Iqbal, Esq.
Secretary,
Bengal.

Sir,

I respectfully crave permission
to state for the kind consideration and
the Government are well aware of
the Bengal Industrial Bank, Limited, was the
limited company, incorporated under the
Act of 1913 and the Industrial Bank
obtained on 21/1/1914. Since then the
bank has been carrying on business. With a
capital of Rs. 10,00,000/- and a reserve
of Rs. 1,00,000/- for the last six years, the bank
has earned a net profit of Rs. 1,00,000/-
on 31/12/1924 after providing a sum of Rs. 1,00,000/-
for doubtful debts. Out of the net profit
of Rs. 1,00,000/- was distributed as dividend
of Rs. 1,00,000/- was written off out of
the reserve fund and the balance of
Rs. 1,00,000/- was distributed as dividend
within Bengal Province, all parts of and
important Indian States, Nepal, Burma,
etc. The number of shares allotted
and the subscribed capital, Rs. 10,00,000/-
of Rs. 100/- per share have been made
paid up (being paid up capital) and
against which the amount paid up
by the 16,000 shares, is Rs. 1,60,00,000/-
the members of the Government.

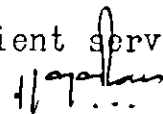
and in order to avoid paying their Calls they have started a campaign of vilification of the Bank about which a complaint of defamation by the Bank against the said Mr. Salamchand is still pending in the Court of first Class Magistrate, Cantonment. The said Mr. Salamchand is now duping a number of - - people by making them sign a petition/^{on}misrepresentations and it is doubtful whether many of the signatories of Shareholders have understood the petition at all. There is also a petition to wind up the Bank which is pending in the Dt. Court, Bangalore, by one Mr. K. Narayanaswami Iyer. The said Mr. Narayanaswami Iyer filed a similar petition some time ago which was summarily dismissed. The said Mr. Narayanaswamy Iyer is - - practically an alias for the said Mr. Salamchand as the notices issued broad cast by the said Salamchand show.

It is therefore absolutely clear that the petition now presented to the Government to appoint an Inspector owes its origin entirely to the said Mr. Salamchand and is conceived in hatred and ill-will. The object is merely to coerce the Bank to come to some terms with these defaulters. It may be mentioned in this connection that a communication has already been addressed by the Managing Director of the Bank to the Government to appoint a Committee to go into the details of the working of the Bank.

I have the honour to be,

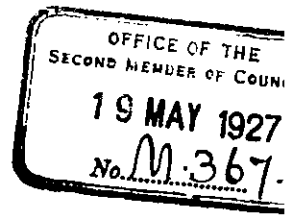
Sir,

Your most obedient servant,



Finance

1872/23



W. S. M.

Ahmed Buildings,
Chickpet,

Bangalore, 17th May 1927.

J. S. 14 - 26 -

To

Dewan Bahadur, Rajasabhabhushana,

M. N. Krishna Rao, Esq., B.A.,

2nd Member of Council to the Government of

His Highness The Maharaja of Mysore,

Bangalore.

Sir,

Re: The Mysore Industrial Bank Ltd., and

The Mahalaxmi Woolen and Silk Mills, Co., Limited.

=====

I enclose herewith copy of my letter of date addressed to the Dewan of Mysore on the abovesubject for your kind information and such action as you may deem fit in the -- matter.

I have the honour to be,

Sir,

Your most ibedient servant,

V. C. S. M. S.

Ahmed Buildings,
Chickpot,
Bangalore, 17th May 1927.

To

Amin-ul-Mulk Mirza M. Ismail, Esq., O.B.E., C.I.E.,
Dewan of Mysore,
Bangalore.

Sir,

I respectfully crave permission to place the following facts for the kind consideration and orders of the Government.

The Government are well aware that in the year 1920 the Mysore Industrial Bank, Limited, was floated as a Joint Stock Limited Company, Incorporated under the Mysore Companies Regulation on 24/7/1920 and the business Commencing Certificate was obtained on 35/1/1921. Since then the Company has been carrying on Banking business. With a working Capital averaging about Rs. 2 lacs for the last six years, the Bank under my direction and supervision earned a net profit of Rs. 2,46,305/12/1 to the end of 31/12/1926 after providing a sum of about Rs. 30,000/- for Bad and Doubtful debts. Out of the said net profit a sum of no less than Rs. 1,51,770/- was distributed as dividends among Shareholders while Rs. 65,000/- was written off out of the said net profits towards Underwriting and Preliminary Expenses. The Bank has about 2000 Shareholders on its Registers, comprising members within Mysore Province, all parts of British India and other important Indian States, Ceylon, Burma, Uganda, Zanzibar, Singapore, etc. The number of Shares allotted originally is 53,573 and the subscribed Capital Rs. 53,58,300/-. Calls to the extent of Rs. 25/- per Share have been made up till now. The amount paid up (being Paid up Capital) as on today is Rs. 3,57,320/- against which the amount paid up by me and members of my family who hold 16,069 Shares, is Rs. 2,95,550/-. It is perhaps within the knowledge of the Government that I was largely responsible

95

for the promotion and floating of the Bank and that I have been at the helm of affairs till now. The object of this Bank is to encourage, foster and advance the interests of industrial enterprise within the State and as far as it was possible within the limited resources of the Bank, this has been kept in view as the chief plank in the business programme of the Bank. Allied to this, I have also brought about the formation and working of the Mahalakshmi Woollen & Silk Mills Co., Ltd., which are also managed and worked under my control. Against the Paid up Capital of this Company viz. Rs. 5,59,002/3/0, the Capital paid up by me and members of my family is Rs. 2,54,345/-, and that by the public is Rs. 1,04,757/3/0. Besides this, I have advanced to the Mills Rs. 39,447/- and also a deposit of Rs. 45,000/-. My total investment in the Mills is thus Rs. 3,38,792/-.

I have given these institutions the best part of my time, energy and experience without any remuneration. Speaking of the Mysore Industrial Bank, Ltd., I am sorry to say that one Mr. K. Narayanaswamy Iyer, ex Editor of the now defunct 'Truth' filed a winding up petition against the Bank in December 1927. This attempt, however, failed ignominiously. Mr. K. Narayanaswamy Iyer above referred to has again filed a petition in the local M.Court to wind up the Bank and this case was heard yesterday and adjourned to 6th June 1927 to decide whether or not to admit the petition.

The Bank and the Mills were primarily floated for the development of the industries of the State and I have devoted all my time for the achievement of this object, having invested already no less than Rs. 3,38,792/- till now. I have brought these concerns to a fairly good position but the management of these has caused me great anxiety and worry for various reasons. It seems to me that the time is very opportune for the Government to take an active interest in these concerns so that the object of developing industries in the State may be furthered with the kind co-operation and help of the Government. I should be glad if the Government could appoint a Committee to go into the details of the working of these Institutions with a view to further develop the industries for the good of the public. Such an appointment would be a great help.

Government will greatly add to the prestige and utility of the concerns besides being helpful to the general improvement of industries in the country. I would therefore respectfully request the Government to consider this question seriously and to devise such ways and means as to render the Institutions to be of real help to Industrial enterprises in the land. An early reply will be greatly appreciated.

I have the honour to be,

Sir,

Your most obedient servant,

W. W. W. W. W. W. W. W.

Private and Confidential.

PRIVATE AND CONFIDENTIAL.

NOTICE OF THE MYSORE INDUSTRIAL BANK, LIMITED,
AHMED BUILDINGS, CHICKPET, BANGALORE CITY,
CIRCULATED FOR THE INFORMATION OF THE
SHAREHOLDERS THEREOF.

In view of certain false statements that are being widely circulated and of certain proceedings recently initiated by some interested parties, with a view to damage the reputation of the Mysore Industrial Bank, Ltd., the Directors of the Bank consider it their duty to place before the Shareholders the following facts, with a view to give them a correct idea of the situation and to dispel any erroneous impressions that may be left in their minds by the aforesaid malicious propaganda.

It has come to the notice of the Directors of the Bank that Mr. B. F. Salamchand, a Shareholder of the Bank, sent an application to the Government on or about the 8th November 1926, apparently with a view to induce them to order an investigation into the affairs of the Bank. But the Government, in their reply dated 17-2-1927, rightly declined to interfere. This attempt having failed, Messrs. Salamchand, Rekubchand Bapnah and a few others are reported to have called for a Special Meeting of the Shareholders, without the knowledge of the Bank and contrary to the provisions of Articles 63—65 of the Bank's Articles of Association. Certain resolutions are also said to have been adopted at the Meeting held on 27-3-1927, after widely circulating a notice containing incorrect and misleading statements regarding the management of the Bank.

Almost all the Shareholders, who convened the Meeting, are persons who have made default in payment of the Calls due in respect of their shares and against some of whom suits have been filed for the recovery of moneys due by them to the Bank. Under the Articles of Association Shareholders whose calls are in arrears are not even entitled to vote at Meetings. It is unnecessary to go into any further details of the matter. Suffice it to say that the Meeting was obviously convened at the instance of some Shareholders whose calls are in arrears and against whom suits filed by the Bank are pending, with the evident object of damaging the credit and reputation of the Bank and thereby checking the progress of the proceedings now being taken against them.

There is also another matter to which the Directors deem it necessary to invite the attention of the Shareholders. About the month of December 1922, one Mr. K. Narayanaswamy Iyer, another defaulting Shareholder of the Bank, at the instigation of some parties inimically inclined towards the Bank, tried to wreck the Bank by filing an application for the compulsory winding up of the Bank. That attempt ignominiously failed.

The said Mr. Narayanaswamy Iyer has again filed a petition in the Court of the District Judge, Bangalore, almost similar to the one filed in December 1922 and ultimately rejected on 17th May 1923. The present application is also filed at the instigation of certain defaulting shareholders against whom the Bank has already been taking action. The Board does not want to enter into the merits of this application. They have, however, to point out that the present petition is more or less a reproduction of the several unwarranted and inaccurate statements contained in the previous petition and that the allegations contained in the present petition are also incorrect, misleading and calculated to create a false and unfounded alarm in the minds of the shareholders and the public. A copy of the final orders passed by the District Judge, Mysore Division, on the previous petition for winding up is enclosed for the information of the Shareholders.

The Bank, which consists of about 2,000 Shareholders, started business in 1921 and declared its first Dividend in 1923 at 6% per annum which is since being declared and paid year after year. With an average annual working Capital of about 8 Lakhs and a half, the Management has been able to earn, during the 6 years it has been in existence, an aggregate net profit of Rs. 2,46,000 after providing about Rs. 30,000 for Bad Debts. Out of this net profit, Rs. 1,51,270 was paid as dividend for four years and Rs. 65,000 adjusted towards underwriting commission and preliminary expenses incurred at the inception. The Board feels confident that such a result will be found to compare favourably with any other Banking institution under similar circumstances.

From the above facts it will be clear that the affairs of the Bank are in a very satisfactory condition and that the wild and alarming allegations which are now being made by interested parties, inimically inclined towards the Bank, are as unfounded as they are malicious. It is learnt that Mr. Salamchand and his supporters have been making efforts to canvass support for the winding up petition and to collect funds to finance this litigation. But, in view of the actual facts referred to above, the Board feels confident that the Shareholders will not allow themselves to be influenced by the propaganda but will, on the other hand, see the truth and will boldly oppose the winding up petition. The Management on its part assures the Shareholders that it will do all that lies in its power, in strict conformity with the rules and regulations of the Company, to uphold the reputation of the Bank and to successfully avert and repel all the unrighteous attacks that are being maliciously made against it.

By order of the Board,

V. MANICKAVELU MUDALIAR,

Managing Director.

AHMED BUILDINGS,
CHICKPET,
Bangalore City,
22nd April 1927.

JUDGMENT PRONOUNCED BY
Mr. G. SREENIVASA IYER, B.A., M.L.,
Dt. Judge, Mysore, on 17th May 1923.

Petition dismissed with Costs.

Copy of Order.

In the matter of the winding up petition
dated 14th December 1922.

K. NARAYANASWAMI IYER

versus

THE MYSORE INDUSTRIAL BANK, Limited.

IN THE COURT OF THE DISTRICT JUDGE,
MYSORE DIVISION.

Mysore, Dated the 17th day of May 1923.

Present :—G. SREENIVASA IYER, ESQ., B.A., M.L.,
District Judge.

Mis. Case No. 68 of 1922—1923.

Petitioner :—K. NARAYANASWAMI. IYER.

Opponent :—The Mysore Industrial Bank, Ltd., by its Managing Director,
MANICKAVELU MUDALIAR.

Application under Section 166 of the Mysore Companies Regulation (VIII of 1917) to wind up the Opponent Company.

O R D E R .

This is a petition by a contributory for a compulsory winding up of a company known as the Mysore Industrial Bank, Limited, incorporated on 24-7-1920 under the Mysore Companies Regulation. The petitioner requests the interference of the Court on the ground that it is just and equitable that the company should be wound up and he enumerates six reasons in paragraph 5 of his petition in support of his prayer. The Company has put in a reply to every one of the allegations made in the petition; and an objection in point of law has also been raised that the allegations even if true are not sufficient in law for a compulsory winding up order.

The case was therefore argued on this plea of demurrer. The first ground alleged in the petition is that misrepresentations were made in the prospectus in regard to the number of shares subscribed for or promised to be subscribed for, the estimate of preliminary expense and the interest of Directors in the underwriting commission and that the public were thereby misled to take shares in the Company. In the prospectus it is mentioned that out of 2,48,000 Ordinary shares of Rs. 100 each of issued capital 20,000 Ordinary shares have been subscribed for by the founders and subscriptions for a further 30,000 Shares have been promised, leaving 1,98,000 Ordinary shares which are offered to the public for subscription. The petitioner's allegation is that this is a gross misrepresentation. From the Statutory report it can be seen that 51,583 Ordinary shares of the aggregate value of Rs. 51,58,300 were allotted. The reply of the Company to this allegation is that there is no misrepresentation, that the founders actually subscribed for 20,000 shares and that as against the balance including those promised 31,583 shares were actually subscribed for and allotted. The articles of Association prescribed only 50,000 Ordinary Shares before proceeding to allotment and the Bank having secured more than the minimum actually went to allotment with 2,000 Founders' shares and 51,583 Ordinary shares on its registers. It seems to me that there is no substance in the petitioner's allegation. It is not alleged that the number allotted is less than the number subscribed for or promised to be subscribed for. If the number of shares allotted had been less than 50,000 there might be some basis for the contention that there was a misrepresentation. The Statutory report shows that the total quantity

allotted is 51,583. The word "*Promised*" seems to have been also designedly used in the prospectus. It is not stated that there was a *valid agreement* that subscriptions for a further 30,000 shares would be paid.

It is mentioned in the prospectus that the preliminary expenses are estimated not to exceed Rs. 25,000 but in the statutory report it is stated that the preliminary expenses are subsequently estimated at Rs. 50,000. There does not seem to be any misrepresentation of any fact: as the word *estimate* itself indicates, the amount put in the prospectus expresses only the sum that is likely to be required for preliminary expenses. If after experience a little more is required, there is nothing in law to prevent the correct estimate being mentioned. On the other hand it is the correct estimate that was to be mentioned. No authority was cited for the proposition that the estimate mentioned in the prospectus should not be exceeded or that the actual expenses must be strictly within the estimate given in the prospectus.

The petitioner raised the question whether the company could pay the preliminary expenses when there was no reference to it in the Memorandum or the Articles. A contract to pay the preliminary expenses may be necessary if a promoter has to recover it: but the Directors may pay the preliminary expenses to a promoter though he cannot sue to recover them if it is not *ultra vires* of the company to pay them. A perusal of Articles 129 and 130 of the Articles of Association clearly shows that it is not *ultra vires* of the Bank to pay the preliminary expenses. But these questions do not seem to arise for consideration in this petition as the only allegation is that there has been misrepresentation as to the estimate of preliminary expenses. I have already held that no misrepresentation was established. As observed by Sanderson C. J., in *Oriental Navigation Co., Vs. Bhanaram Agawalla* (49 Calcutta 399 at 417) in cases in which a shareholder petitions the court for a compulsory winding up order, it is essential that the petitioner should be confined to the allegations which he has made and he should not be allowed to embark upon matters which he has not clearly raised. Further the whole body of shareholders have accepted the report wherein the change from the estimate of Rs. 25,000 to Rs. 50,000 has been specifically and expressly stated. It does not also appear that the expenditure forms any considerable proportion of the total subscribed capital.

The next misrepresentation alleged is that the interest of the Directors in the underwriting commission and brokerage is not disclosed in the prospectus. Section 93 of the Companies Regulation requires that every prospectus shall state the dates of and parties to every material contract. But as observed by Palmer in his *Company precedents* Volume I page 275 (12th Edition) "whether it is necessary to disclose the underwriting contracts is a moot point". He also says "It may well be considered that as para (h) expressly required disclosure of the commission, that is sufficient". In the present case, it is stated in the prospectus: "*No promotion money is being paid but the memorandum and the Articles of Association provide for the payment of a reasonable commission which has been fixed at 2 P. C. underwriting fee and 1 P. C. brokerage which will be paid on the shares allotted*". Article 25 of the Articles of Association also provides that "the company may

at any time pay a commission to *any* person in consideration of his subscribing or agreeing to subscribe for any shares in the company....." It seems to me that reading the two together there was sufficient disclosure and that the promoters were not prevented from claiming the commission and brokerage. The clause relating to the payment of commission and brokerage coming immediately after the promotion money in the same sentence sufficiently indicates that the promoters could claim underwriting commission and brokerage though not any other promotion money. But it may be urged that under Sub-Clause (N) the interest of the Directors in the promotion should be stated: in the present instance there is no allegation that the Directors had agreed to underwrite in the date of the 'prospectus or that they had an intention to underwrite then. Even if it be assumed that there was a *material* defect or omission in the prospectus in as much as the specific intention of the Directors was not disclosed, it seems clear that the same has been waived by the shareholders. In the statutory meeting held on 25th July 1921 the fact that the Directors underwrote was pointedly brought to the notice of the shareholders, in the statutory report and also in the speech of the chairman, but no objection was raised, and the report was unanimously approved and adopted. The proceedings refer to this point very clearly thus:—"At the time of the issue of the prospectus there was no intention on the part of the Directors to underwrite any portion of the issue, and hence it was not disclosed there. It was subsequently found necessary in the interest of the establishment of the Bank and the shareholders who had then come in that unless the Directors increased their burden by underwriting a part of the unsubscribed capital it was not possible to proceed to allotment. Thus everything that was necessary was clearly brought to the knowledge of the shareholders and the action of the Directors was fully approved and adopted.

In regard to the question of misrepresentation in the prospectus raised by the first ground referred to above it seems clear from the authorities that the ground by itself is not sufficient to justify an order for compulsory winding up. Sanderson, C. J., observes thus in the case referred to above. The passage in Buckley on Companies at page 307 may be referred to as stating correctly the law on this point, namely that "the mere fact of there having been fraud in the promotion or *fraudulent misrepresentation* in the prospectus will not be sufficient to found a winding up order, for the majority of shareholders may waive the fraud." If the subscriptions of the shareholders have been obtained by misrepresentation put forward by or on behalf of the Company it is possible that the shareholders thereafter may waive that misrepresentation in one way or another. Further there are other remedies open to the shareholders who have been misled for asserting their rights other than by compulsory winding up of the company. I have already shown above that the points referred to in the petition were prominently brought to the knowledge of the shareholders at the very first meeting and the alleged misrepresentations were all waived by them and the report adopted completely without the least protest. Further the petitioner is not a person who was misled to subscribe for shares before allotment on the non-disclosure of the

contained in the prospectus. There is no allegation that he was induced to take shares on a prospectus containing misrepresentation.

The next ground alleged in the petition is that the shareholders and the public have lost confidence in the Company as the Directors in whom they had confidence *viz* : Messrs. T. C. W. Skipp, C. B. Oakley, Charles Lister, H. F. Commissariat have resigned, and as the expert manager has also resigned and succeeded by one having no banking experience. The Company states in its reply that Messrs. Skipp and Oakley resigned for personal reasons, that Mr. Oakley has ceased to be a shareholder and that Messrs. Charles Lister and H. F. Commissariat have left Bangalore and resigned as they could not take part in the proceedings. It is also stated that the Expert Manager resigned even when the Directors in whom the petitioner alleges that the shareholders had confidence were in Office. It seems to me that this change in the Office bearers and the appointment of the staff is a matter of internal management and the shareholders are at liberty to choose whom they like. It is very significant that in spite of the wide publication of the present application no other shareholders have come forward to support the petition for a winding up order. If the shareholders are dissatisfied with the management they have the remedy in their own hands. This ground does not seem to be sufficient for a winding up order. Thirdly it is alleged that the funds of the company have been used in the purchase of its shares, and sold to those who sought accommodation and that the first call of Rs. 5 a share has been made on all but the Directors and Founders. The opponent denies the truth of the allegations. In exercise of the powers vested in them under the Articles of Association, the Directors are stated to have allowed surrenders of shares held as extra holdings without causing a reduction of capital. Under this arrangement Mr. V. Manickavelu Mudaliar is alleged to have guaranteed to find the purchasers and has undertaken to be responsible for the share amounts. The books show that the amounts are only loans or advances to Mr. V. Manickavelu Mudaliar personally. In regard to the Calls, it is stated that in exercise of the powers under Article 33 of the Articles of Association time has been granted to pay up their calls to such of the Directors and Founders as have taken extra holdings of Shares.

The question raised in this ground is one of fact. If it is necessary to decide it, it seems to me that evidence must be taken. Mr. Shankarnarain Rao stated that the transactions referred to by the Company in its written statement really amounted to transfers of shares or surrender of shares subject to the restriction that the Directors should be personally responsible if the transfer is not completed. Article 130 (e) seems to provide for surrender on conditions. Article 33 also empowers the Directors to extend the time for payment of any call as to all or any of the members who, from residence at a distance or other cause the Directors may deem to be fairly entitled to such extension. Granting then that the allegations are true, they merely amount to proceedings which are *ultra vires* of the company. It has been held in *Re : Irrigation Co., of France V. Exparte Fox*—6 Ch. 176 (See Palmer part 2 p. 76) that a winding up petition is not the proper mode of stopping an *ultra vires* proceeding.

The fourth ground put forward in the petition is that the Company has created a liability of Rs. 42,750 by the purchase of 475 shares in the Industrial Bank of Western India, Ltd., Ahmedabad. The reply of the Company is that under Article 130 (j) of the Bank's Articles, the Directors have power to invest monies of the Company in such manner as they think fit and that such power is not open to question by any individual member. The opponent also states that the investment was prominently shown in the Balance Sheet for the period ended 30th June 1922 and was approved and adopted both in the Board and in the First Ordinary General Meeting. The shares were bought at Rs. 6-12 and it is stated that the present market value is Rs. 7-12 a share of Rs. 10 face value. "Where the directors have a discretion and are bona-fide acting in the exercise of it, it is not the habit of the Court to interfere with them" (Gresham Life L. R. 8 Ch. 449 Palmer's Company Law 194) The petitioner's contention seems to be however that clear words are necessary in the memorandum to enable a Company to take shares in another company and that in the absence of such words in the present case, it was illegal for the Bank to take shares in the Industrial Bank of Western India. Clause (O) para 3 of the Memorandum of Association in the present case seems to be exactly the one given as a model in Palmer's company precedents Form 10 at page 488 (12th Edition), and is held to be sufficient to confer the required power, the power to acquire and hold shares *being implied* from the nature of the Company's business. It does not seem to me that in the investment made by the Directors, and approved and adopted by the shareholders, they have committed any act justifying the Court to make a compulsory winding up order.

Fifthly it is urged that the Managing Director has been acting *ultra vires* by doing acts which would result in the commercial insolvency of the Company. As example, it is alleged that large loans have been granted without adequate security and without proper sanction of the Board, that resolutions of the Board have not been given effect to, and that the heads of the Sundries under expense is manipulated in an objectionable manner. The opponent denies the truth of every one of these allegations. He also contends that the allegations are too vague and indefinite, and refer to the internal management and are not open to question. The petitioner's contention is that the Bills discounted by the Bank create a contingent liability to the extent of 2½ lacs and the unsecured debts are more than 4½ lacs, and the opponent's management is leading the Company to commercial insolvency. I have carefully perused the petition. The petition does not allege that the company is commercially insolvent, that is, it cannot meet the current demands. The latest balance sheet filed by the parties does not indicate that the Company is in such hopeless condition that its assets are insufficient to meet the existing liabilities and its business is carried on at a constant loss. The petitioner *merely alleges* that the management of the present Managing Director would result in the commercial insolvency of the Company. In detailing the acts of mismanagement he has furnished no specific particulars regarding indiscriminate loans, or resolutions ignored, and the manipulation of accounts. "Mismanagement or misapplication of the funds on the part of the Directors will not give the Court authority to wind up the Company until *it has produced insolvency*" (See Buckley P. 306).

Lastly the petitioner alleges that a considerable portion of the preliminary expenses has not been wiped off and that the Company has not paid any dividend or raised any reserve fund. The opponent states in reply that 25,000 Rupees has been wiped off out of the nett profits in July last and that as the Bank has not been in existence even 2 years after the Statutory meeting it is too early to pay a dividend or raise a Reserve Fund. These facts themselves do not seem to be sufficient to order the winding up. No authority has been cited for the proposition that the Court should wind up the Company if dividends are not declared or a Reserve Fund is not raised. On the contrary the decision in 39 All. 335 seems to be against this contention.

On a perusal of the whole petition, it seems clear that the allegations refer to the management of the Company's affairs The matters are such that a court will not interfere with. It was observed by Jessel, M. R., in *Re: Langham Skating Rink, Co.*, "A power of this kind is not to be acted upon unless there is a very strong ground for acting upon it, and for this reason that these companies are governed by a majority of their own members and when there is a domestic tribunal which has power to decide upon a question it should, if possible, be left to that domestic tribunal. The act creates, as between the shareholders, a domestic tribunal for the management of the affairs of the company and the Court should not in the absence of some strong ground withdraw from that tribunal the decision as to whether the Company's business shall be carried on". The law is accordingly stated in *Palmer's Company Law* thus:—"The Act establishes a domestic tribunal as between the members and the company and thus enables the members themselves, by passing the requisite resolutions to determine whether there shall be a Voluntary liquidation or whether the Court shall be asked to make a compulsory order. Accordingly a contributory to obtain an order must make out a special case. Mismanagement by Directors is not a ground for a shareholder petitioning; he should call a meeting." These principles have been followed by *Pioneer Bank, Ltd.*, *Chunniram Valliram*, 39, Bombay, 16, in *r.e.*, the matter of *Mahamandal Shashtra Prakasak Samity, Ltd.*, (39 All 342) and in *Oriental Navigation Co., Ltd.*, *V. Bhanaram Agarwalla*, 49 Cal. 399. In the first of these cases, Macleod, J. says "the allegations in the petition all relate to internal management or rather mismanagement of the Company's affairs and that is a matter for the shareholders to deal with. It is not a matter that would call for interference by the Court. A petition by a shareholder stands on a different footing to a petition by a creditor. It should be more clearly scrutinised on presentation". Taking all the circumstances discussed above, and the law into consideration, it does not seem to me that the allegations in the petition do disclose sufficient ground for the Court to make a compulsory winding up order. This petition is accordingly dismissed with costs. (Advocate's fee is Rs. 30.)

(Sd.) G. SREENIVASA IYER,

District Judge,

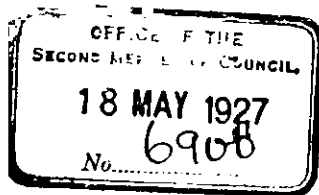
17th May 1923.

By petitioner. By opponent.

Court fee on Mis. Petition	....	0	8	0	0	0	0	0
Other applications	....	1	0	0	0	0	0	0
Vakalath	....	0	0	0	0	0	8	0
Processes	....	1	8	0	0	0	0	0
Publication charges	....	20	0	0	0	0	0	0
Advocate's fee	....	0	0	0	0	30	0	0
Total Rs....		23	0	0	0	30	8	0

The amount of costs payable by the petitioner to the Opponent is
Rupees.30—8—0 only.

(Sd.) G. SREENIVASA IYER,
District Judge.
(TRUE COPY.)



Ahmed Buildings,

Chickpet,

Bangalore, 17th May 1927.

7828
GEN. & REV. SEC. GEN. SEC. GEN. SEC.
19 MAY 1927
DEVELOPMENT BRANCH.

To

17.5.27
Amin-ul-Hulk Mirza M. Ismail, Esq., O.B.E., C.I.E.,

Dewan of Mysore,

Bangalore.

J. S. 14-28-14

I respectfully crave permission to place the following facts for the kind consideration and orders of the Government.

The Government are well aware that in the year 1920 the Mysore Industrial Bank, Limited, was floated as a Joint Stock Limited Company, Incorporated under the Mysore Companies Regulation on 24/7/1920 and the business Commencing Certificate was obtained on 26/1/1921. Since then the Company has been carrying on Banking business. -With a working Capital averaging about 8½ lacs for the last six years, the Bank under my direction and supervision earned a net profit of Rs.2,46,395/12/1 to the end of 31/12/1926 after providing a sum of about Rs.30,000/- for Bad and Doubtful debts. Out of the said net profit a sum of no less than Rs.1,51,270/- was distributed as dividends among Shareholders while Rs.65,000/- was written off out of the said net profits towards Underwriting and Preliminary Expenses. The Bank has about 2000 Shareholders on its Registers, comprising members within Mysore Province, all parts of British India and other important Indian States, Ceylon, Burma, Uganda, Zanzibar, Singapore, etc. The number of Shares allotted originally is 53,583 and the subscribed Capital Rs.53,58,300/-. Calls to the extent of Rs.25/- per Share have been made up till now. The amount paid up (being Paid up Capital) as on today is Rs.8,52,320/- against which the amount paid up by me and members of my family who hold 16,069 Shares, is Rs.2,95,550/-. It is perhaps within the knowledge of the Government that I was largely responsible

for the promotion and floating of the Bank and that I have been at the helm of affairs till now. The object of this Bank is to encourage, foster and advance the interests of industrial enterprise within the State and as far as it was possible within the limited resources of the Bank, this has been kept in view as the chief plank in the business programme of the Bank. Allied to this, I have also brought about the formation and working of the Mahalakshmi Woollen & Silk Mills Co., Ltd., which are also managed and worked under my control. Against the Paid up Capital of this Company Rs.3,59,002/8/0, the Capital paid up by me and members of my family is Rs.2,54,245/-, and that by the public is Rs.1,04,757/8/0. Besides this, I have advanced to the Mills Rs.89,447/- and also a deposit of Rs.45,000/-. My total investment in the Mills is thus Rs.3,88,6

I have given these institutions the best part of my time and energy and experience without any remuneration. Speaking of the Mysore Industrial Bank, Ltd., I am sorry to say that one Mr. K. Narayanaswamy Iyer, ex Editor of the now defunct 'Truth' filed a winding up petition against the Bank in December 1922. This attempt, however, failed ignominiously. Mr. K. Narayanaswamy Iyer above referred to has again filed a petition in the local District Court to wind up the Bank and this case was heard yesterday and adjourned to 6th June 1927 to decide whether or not to admit the petition.

The Bank and the Mills were primarily floated for the development of the industries of the State and I have devoted all my time for the achievement of this object, having invested already no less than Rs.6,84,242/- till now. I have brought these concerns to a fairly good position but the management of these has caused me great anxiety and worry for various reasons. It seems to me that the time is very opportune for the Government to take an active interest in these concerns so that the object of developing industries in the State may be furthered with the kind co-operation and help of the Government. I should be glad if the Government could appoint a Committee to go into the details of the working of these Institutions with a view to further develop the industries for the good of the public. Such co-operation on the part of the

Government will greatly add to the prestige and utility of the concerns besides being helpful to the general improvement of industries in the country. I would therefore respectfully request the Government to consider this question seriously and to devise such ways and means as to render the Institutions to be of real help to Industrial enterprises in the land. An early reply will be greatly appreciated.

I have the honour to be,

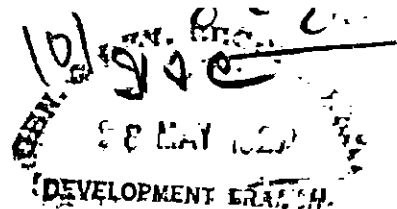
Sir,

Your most obedient servant,

De mini cene mod-

Confidential GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
NO. C. 71/27-28
ENCL. 1



Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore... 27th May 1927

FROM-

S. P. Rajagopalachari, Esq., B.A., B.L.,

~~XXXXXXGARRAXXXEYERXXXXXX~~

Registrar of Joint Stock Companies in Mysore.

T

J. S. 14-26-15

N. Rama Rao, Esq., B.A., B.L.,

Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
Bangalore.

S i r ,

25367

In continuation of this office letter No. 1107 dated 25th February 1927 regarding the petition of Mr. Reekubchand Bapnah against the Mysore Industrial Bank, Limited, I have the honour to state that the reply received from Mr. Reekubchand (copy enclosed) is not only vague but the allegations made therein are also not supported by proofs. According to the Returns of allotments filed by Mr. Pagan Dalzell, the then General Manager of the Bank, in this office under Section 104 of the Mysore Companies Regulation, 50,015 ordinary shares have been allotted on 30th October and 13th November 1920, 1123, on 22nd November 1920 and this contradicts the statement of paragraph 1 of Mr. Reekubchand's reply. Considering the serious consequences that will arise under Section 282 if any false statements are made in these returns, it has to be presumed that the Returns are correct until definite proofs are adduced to the contrary.

(2) The declaration before commencing business filed on 26-1-1921 by Mr. V. Manickavelu-Mudaliar under Section 103 is in accordance with the Returns of allotments.

(3) Even if Section 101 as regards allotments has been contravened, it can only be considered as irregular and the time for taking action against the Directors by the shareholders under Section 102 has also long passed.

(4) The declaration before commencing business was made more than 6 years ago and Mr Salumchand who was a Director from the very inception of the Bank up to 26th June 1925 had ample time to question its correctness much earlier. Moreover the dissatisfied shareholders could have discussed all the matters raised in the petitions, in the general meetings.

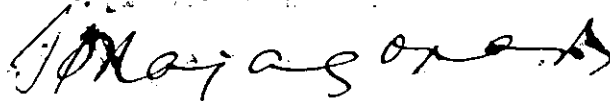
(5) It is understood that these questions were raised ~~immediately~~ incidentally in the winding up petition filed against the company in 1922 and rejected by the District Judge. A similar winding up petition seems to be pending in the Courts where all these and similar questions will probably come up for judicial review.

(6) For the above reasons and also for the reason that an application has been made under ^{since} Section 138 for the appointment of an Inspector for investigating the affairs of the Bank, I do not think it necessary to pursue further enquiries -- based on this particular petition.

I have the honour to be,

S i r ,

Your most obedient servant


R E G I S T R A R

1065

Copy of letter from Mr. Reekubchand Bapnah to the Registrar of Joint Stock Companies in Mysore, Bangalore.

In reply to your letter dated 13-11-1926, I desire to state as follows

1. The minimum number of shares to be subscribed for going into allotment was 50,000 shares. Apart from 2,000 founder's shares, which do not enter into this calculation, only 34,833 shares were subscribed by the general public, of these 12,000 shares having been subscribed by the Directors themselves and 5,000 by S.M.M. Thus 16,750 had to be subscribed before allotment could be made. The Directors etc., met on or about 11-12-1920, some were for not proceeding further. Finally, it was resolved that the balance to ~~make~~ make up 51,583 shares be subscribed for amongst the -- Directors etc. I understand that as a matter of fact these shares were not really so subscribed; but formed part of 50,000 shares which V. Manickavelu Mudaliar and Son undertook to sell or take over himself within 12 months of 1st January 1921. These shares are still not completely sold or taken over according to agreement which still runs.

2. As regards the share allotment amounts of these 17,000 shares, I understand that 5 or 6 thousand shares have been taken in the name of V. Sundaramurthi Mudaliar, the son of V. Manickavelu Mudaliar; also that, allotment monies were not paid nor the shares allotted for ~~cash~~ cash.

3. I further understand that allotment monies were not fully paid or cheques cleared, if any, before allotment, according to Law.

4. I understand that allotment monies paid were paid, largely from capital. That is, loans were given to Shareholders, and allotment monies were deducted from the loans. This appears to have been done particularly with reference to the Directors. Further, I understand that underwriting commissions, which, by the way, were not provided under the

articles and the memorandum were adjusted to the share amounts and to allotment amounts; more particularly, such shareholders being the Directors themselves.

5. The Bank had thus commenced business before going into allotment and obtaining business commencement certificate.

6. Further, dividends are paid from capital; large amounts are taken as loans by the Directors themselves, debts are not properly secured; several of the debts appear to be fictitious; and the Bank is not doing any business except that of financing Mr. V. Manickavelu Mudaliar's business. Mr. V. Manickavelu Mudaliar and his son Mr. V. Sundaramurthy Mudaliar are besides, the Managing Directors of the Bank. The Bank is not doing any business for which it was founded.

7. Mr. V. Manickavelu Mudaliar undertook responsibility for all loans advanced which he could not legally do. With this the Committee of three for management disappeared.

8. At the statutory meeting of the Bank only 15 were present out of a total of about 1,000 shareholders.

9. The original Directors were 14; now they are only 5. Father and son viz., Mr. V. Manickavelu Mudaliar and V. Sundaramurthy Mudaliar. T. Lakshmia Chetty, their intimate friend and collaborator, in insolvent circumstances against whom decrees for lakhs of rupees are pending. All these three are heavily indebted to the Bank itself. Haji Ahamad Sait is the landlord of the premises where the offices of the Bank are held. He is interested in the continuance of the Bank for his own purposes. The remaining Director Nattakallappa knows no English and is too much in the hands of V. Manickavelu Mudaliar.

10. All these will be evident from the Books of the Bank.

"C O P Y"



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Private and Confidential.

PRIVATE AND CONFIDENTIAL.

NOTICE OF THE MYSORE INDUSTRIAL BANK, LIMITED,
AHMED BUILDINGS, CHICKPET, BANGALORE CITY,
CIRCULATED FOR THE INFORMATION OF THE
SHAREHOLDERS THEREOF.

In view of certain false statements that are being widely circulated and of certain proceedings recently initiated by some interested parties, with a view to damage the reputation of the Mysore Industrial Bank, Ltd., the Directors of the Bank consider it their duty to place before the Shareholders the following facts, with a view to give them a correct idea of the situation and to dispel any erroneous impressions that may be left in their minds by the aforesaid malicious propaganda.

It has come to the notice of the Directors of the Bank that Mr. B. F. Salamchand, a Shareholder of the Bank, sent an application to the Government on or about the 8th November 1926, apparently with a view to induce them to order an investigation into the affairs of the Bank. But the Government, in their reply dated 17-2-1927, rightly declined to interfere. This attempt having failed, Messrs. Salamchand, Rekubchand Bapnah and a few others are reported to have called for a Special Meeting of the Shareholders, without the knowledge of the Bank and contrary to the provisions of Articles 63—65 of the Bank's Articles of Association. Certain resolutions are also said to have been adopted at the Meeting held on 27-3-1927, after widely circulating a notice containing incorrect and misleading statements regarding the management of the Bank.

Almost all the Shareholders, who convened the Meeting, are persons who have made default in payment of the Calls due in respect of their shares and against some of whom suits have been filed for the recovery of moneys due by them to the Bank. Under the Articles of Association Shareholders whose calls are in arrears are not even entitled to vote at Meetings. It is unnecessary to go into any further details of the matter. Suffice it to say that the Meeting was obviously convened at the instance of some Shareholders whose calls are in arrears and against whom suits filed by the Bank are pending, with the evident object of damaging the credit and reputation of the Bank and thereby checking the progress of the proceedings now being taken against them.

There is also another matter to which the Directors deem it necessary to invite the attention of the Shareholders. About the month of December 1922, one Mr. K. Narayanaswamy Iyer, another defaulting Shareholder of the Bank, at the instigation of some parties inimically inclined towards the Bank, tried to wreck the Bank by filing an application for the compulsory winding up of the Bank. That attempt ignominiously failed.

The said Mr. Narayanaswamy Iyer has again filed a petition in the Court of the District Judge, Bangalore, almost similar to the one filed in December 1922 and ultimately rejected on 17th May 1923. The present application is also filed at the instigation of certain defaulting shareholders against whom the Bank has already been taking action. The Board does not want to enter into the merits of this application. They have, however, to point out that the present petition is more or less a reproduction of the several unwarranted and inaccurate statements contained in the previous petition and that the allegations contained in the present petition are also incorrect, misleading and calculated to create a false and unfounded alarm in the minds of the shareholders and the public. A copy of the final orders passed by the District Judge, Mysore Division, on the previous petition for winding up is enclosed for the information of the Shareholders.

The Bank, which consists of about 2,000 Shareholders, started business in 1921 and declared its first Dividend in 1923 at 6% per annum which is since being declared and paid year after year. With an average annual working Capital of about 8 Lakhs and a half, the Management has been able to earn, during the 6 years it has been in existence, an aggregate net profit of Rs. 2,46,000 after providing about Rs. 30,000 for Bad Debts. Out of this net profit, Rs. 1,51,270 was paid as dividend for four years and Rs. 65,000 adjusted towards underwriting commission and preliminary expenses incurred at the inception. The Board feels confident that such a result will be found to compare favourably with any other Banking institution under similar circumstances.

From the above facts it will be clear that the affairs of the Bank are in a very satisfactory condition and that the wild and alarming allegations which are now being made by interested parties, inimically inclined towards the Bank, are as unfounded as they are malicious. It is learnt that Mr. Salamchand and his supporters have been making efforts to canvass support for the winding up petition and to collect funds to finance this litigation. But, in view of the actual facts referred to above, the Board feels confident that the Shareholders will not allow themselves to be influenced by the propaganda but will, on the other hand, see the truth and will boldly oppose the winding up petition. The Management on its part assures the Shareholders that it will do all that lies in its power, in strict conformity with the rules and regulations of the Company, to uphold the reputation of the Bank and to successfully avert and repel all the unrighteous attacks that are being maliciously made against it.

By order of the Board,

V. MANICKAVELU MUDALIAR,

Managing Director.

AHMED BUILDINGS,
CHICKPET,
Bangalore City,
22nd April 1927.

JUDGMENT PRONOUNCED BY
Mr. G. SREENIVASA IYER, B.A., M.L.,
Dt. Judge, Mysore, on 17th May 1923.

Petition dismissed with Costs.

Copy of Order.

In the matter of the winding up petition
dated 14th December 1922.

K. NARAYANASWAMI IYER

versus

THE MYSORE INDUSTRIAL BANK, Limited.

108

IN THE COURT OF THE DISTRICT JUDGE,
MYSORE DIVISION.

Mysore, ~~Dated the 11th day~~ of May 1923.

Present :—G. SREENIVASA IYER, ESQ., B.A., M.L.,

District Judge.

Mis. Case No. 68 of 1922—1923.

Petitioner :—K. NARAYANASWAMI IYER.

Opponent :—The Mysore Industrial Bank, Ltd., by its Managing Director,
MANICKAVELU MUDALIAR.

Application under Section 166 of the Mysore Companies Regulation
(VIII of 1917) to wind up the Opponent Company.

O R D E R .

This is a petition by a contributory for a compulsory winding up of a company known as the Mysore Industrial Bank, Limited, incorporated on 24-7-1920 under the Mysore Companies Regulation. The petitioner requests the interference of the Court on the ground that it is just and equitable that the company should be wound up and he enumerates six reasons in paragraph 5 of his petition in support of his prayer. The Company has put in a reply to every one of the allegations made in the petition; and an objection in point of law has also been raised that the allegations even if true are not sufficient in law for a compulsory winding up order.

The case was therefore argued on this plea of demurrer. The first ground alleged in the petition is that misrepresentations were made in the prospectus in regard to the number of shares subscribed for or promised to be subscribed for, the estimate of preliminary expense and the interest of Directors in the underwriting commission and that the public were thereby misled to take shares in the Company. In the prospectus it is mentioned that out of 2,48,000 Ordinary shares of Rs. 100 each of issued capital 20,000 Ordinary shares have been subscribed for by the founders and subscriptions for a further 30,000 Shares have been promised, leaving 1,98,000 Ordinary shares which are offered to the public for subscription. The petitioner's allegation is that this is a gross misrepresentation. From the Statutory report it can be seen that 51,583 Ordinary shares of the aggregate value of Rs. 51,58,300 were allotted. The reply of the Company to this allegation is that there is no misrepresentation, that the founders actually subscribed for 20,000 shares and that as against the balance including those promised 31,583 shares were actually subscribed for and allotted. The articles of Association prescribed only 50,000 Ordinary Shares before proceeding to allotment and the Bank having secured more than the minimum actually went to allotment with 2,000 Founders' shares and 51,583 Ordinary shares on its registers. It seems to me that there is no substance in the petitioner's allegation. It is not alleged that the number allotted is less than the number subscribed for or promised to be subscribed for. If the number of shares allotted had been less than 50,000 there might be some basis for the contention that there was a misrepresentation. The Statutory report shows that the total quantity

allotted is 51,583. The word "*Promised*" seems to have been also designedly used in the prospectus. It is not stated that there was a *valid agreement* that subscriptions for a further 30,000 shares would be paid.

It is mentioned in the prospectus that the preliminary expenses are estimated not to exceed Rs. 25,000 but in the statutory report it is stated that the preliminary expenses are subsequently estimated at Rs. 50,000. There does not seem to be any misrepresentation of any fact: as the word *estimate* itself indicates, the amount put in the prospectus expresses only the sum that is likely to be required for preliminary expenses. If after experience a little more is required, there is nothing in law to prevent the correct estimate being mentioned. On the other hand it is the correct estimate that has to be mentioned. No authority was cited for the proposition that the estimate mentioned in the prospectus should not be exceeded or that the actual expenses must be strictly within the estimate given in the prospectus.

The petitioner raised the question whether the company could pay the preliminary expenses when there was no reference to it in the Memorandum or the Articles. A contract to pay the preliminary expenses may be necessary if a promoter has to recover it: but the Directors may pay the preliminary expenses to a promoter though he cannot sue to recover them if it is not *ultra vires* of the company to pay them. A perusal of Articles 129 and 130 of the Articles of Association clearly shows that it is not *ultra vires* of the Bank to pay the preliminary expenses. But these questions do not seem to arise for consideration in this petition as the only allegation is that there has been misrepresentation as to the estimate of preliminary expenses. I have already held that no misrepresentation was established. As observed by Sanders, C. J., in *Oriental Navigation Co., Vs. Bhanaram Agawalla* (49 Calcutta 399 at 417) in cases in which a shareholder petitions the court for a compulsory winding up order, it is essential that the petitioner should be confined to the allegations which he has made and he should not be allowed to embark upon matters which he has not clearly raised. Further the whole body of shareholders have accepted the report wherein the change from the estimate of Rs. 25,000 to Rs. 50,000 has been specifically and expressly stated. It does not also appear that the expenditure forms any considerable proportion of the total subscribed capital.

The next misrepresentation alleged is that the interest of the Director in the underwriting commission and brokerage is not disclosed in the prospectus. Section 93 of the Companies Regulation requires that every prospectus shall state the dates of and parties to every material contract. But as observed by Palmer in his *Company precedents* Volume I page 271 (12th Edition) "whether it is necessary to disclose the underwriting contract is a moot point". He also says "It may well be considered that as para (h) expressly required disclosure of the commission, that is sufficient". In the present case, it is stated in the prospectus: "*No promotion money is being paid but the memorandum and the Articles of Association provide for the payment of a reasonable commission which has been fixed at 2 P. C. underwriting fee and 1 P. C. brokerage which will be paid on the shares allotted*". Article 25 of the Articles of Association also provides that "the company may

at any time pay a commission to *any* person in consideration of his subscribing or agreeing to subscribe for any shares in the company....." It seems to me that reading the two together there was sufficient disclosure and that the promoters were not prevented from claiming the commission and brokerage. The clause relating to the payment of commission and brokerage coming immediately after the promotion money in the same sentence sufficiently indicates that the promoters could claim underwriting commission and brokerage though not any other promotion money. But it may be urged that under Sub-Clause (N) the interest of the Directors in the promotion should be stated: in the present instance there is no allegation that the Directors had agreed to underwrite in the date of the prospectus or that they had an intention to underwrite then. Even if it be assumed that there was a material defect or omission in the prospectus in as much as the specific intention of the Directors was not disclosed, it seems clear that the same has been waived by the shareholders. In the statutory meeting held on 25th July 1921 the fact that the Directors underwrote was pointedly brought to the notice of the shareholders, in the statutory report and also in the speech of the chairman, but no objection was raised, and the report was unanimously approved and adopted. The proceedings refer to this point very clearly thus:—"At the time of the issue of the prospectus there was no intention on the part of the Directors to underwrite any portion of the issue, and hence it was not disclosed there. It was subsequently found necessary in the interest of the establishment of the Bank and the shareholders who had then come in that unless the Directors increased their burden by underwriting a part of the unsubscribed capital it was not possible to proceed to allotment. Thus everything that was necessary was clearly brought to the knowledge of the shareholders and the action of the Directors was fully approved and adopted.

In regard to the question of misrepresentation in the prospectus raised by the first ground referred to above it seems clear from the authorities that the ground by itself is not sufficient to justify an order for compulsory winding up. Sanderson, C. J., observes thus in the case referred to above. The passage in Buckley on Companies at page 307 may be referred to as stating correctly the law on this point, namely that "the mere fact of there having been fraud in the promotion or *fraudulent misrepresentation* in the prospectus will not be sufficient to found a winding up order, for the majority of shareholders may waive the fraud." If the subscriptions of the shareholders have been obtained by misrepresentation put forward by or on behalf of the Company it is possible that the shareholders thereafter may waive that misrepresentation in one way or another. Further there are other remedies open to the shareholders who have been misled for asserting their rights other than by compulsory winding up of the company. I have already shown above that the points referred to in the petition were prominently brought to the knowledge of the shareholders at the very first meeting and the alleged misrepresentations were all waived by them and the report adopted completely without the least protest. Further the petitioner is not a person who was misled to subscribe for shares before allotment on the representations

contained in the prospectus. There is no allegation that he was induced to take shares on a prospectus containing misrepresentation.

The next ground alleged in the petition is that the shareholders and the public have lost confidence in the Company as the Directors in whom they had confidence *viz.* Messrs. T. C. W. Skipp, C. B. Oakley, Charles Lister, H. F. Commissariat have resigned, and as the expert manager has also resigned and succeeded by one having no banking experience. The Company states in its reply that Messrs. Skipp and Oakley resigned for personal reasons, that Mr. Oakley has ceased to be a shareholder and that Messrs. Charles Lister and H. F. Commissariat have left Bangalore and resigned as they could not take part in the proceedings. It is also stated that the Expert Manager resigned even when the Directors in whom the petitioner alleges that the shareholders had confidence were in Office. It seems to me that this change in the Office bearers and the appointment of the staff is a matter of internal management and the shareholders are at liberty to choose whom they like. It is very significant that in spite of the wide publication of the present application no other shareholders have come forward to support the petition for a winding up order. If the shareholders are dissatisfied with the management they have the remedy in their own hands. This ground does not seem to be sufficient for a winding up order. Thirdly it is alleged that the funds of the company have been used in the purchase of its shares, and sold to those who sought accommodation and that the first call of Rs. 5 a share has been made on all but the Directors and Founders. The opponent denies the truth of the allegations. In exercise of the powers vested in them under the Articles of Association, the Directors are stated to have allowed surrenders of shares held as extra holdings without causing a reduction of capital. Under this arrangement Mr. V. Manickavelu Mudaliar is alleged to have guaranteed to find the purchasers and has undertaken to be responsible for the share amounts. The books show that the amounts are only loans or advances to Mr. V. Manickavelu Mudaliar personally. In regard to the Calls, it is stated that in exercise of the powers under Article 33 of the Articles of Association time has been granted to pay up their calls to such of the Directors and Founders as have taken extra holdings of Shares.

The question raised in this ground is one of fact. If it is necessary to decide it, it seems to me that evidence must be taken. Mr. Shankarnarain Rao stated that the transactions referred to by the Company in its written statement really amounted to transfers of shares or surrender of shares subject to the restriction that the Directors should be personally responsible if the transfer is not completed. Article 130 (e) seems to provide for surrender on conditions. Article 33 also empowers the Directors to extend the time for payment of any call as to all or any of the members who, from residence at a distance or other cause the Directors may deem to be fairly entitled to such extension. Granting then that the allegations are true, they merely amount to proceedings which are *ultra vires* of the company. It has been held in *Re. Irrigation Co., of France v. Exparte Fox*—6 Ch. 176 (See Palmer part 2 p. 76) that a winding up petition is not the proper mode of stopping an *ultra vires* proceeding.

The fourth ground put forward in the petition is that the Company has created a liability of Rs. 42,750 by the purchase of 475 shares in the Industrial Bank of Western India, Ltd., Ahmedabad. The reply of the Company is that under Article 130 (j) of the Bank's Articles, the Directors have power to invest monies of the Company in such manner as they think fit and that such power is not open to question by any individual member. The opponent also states that the investment was prominently shown in the Balance Sheet for the period ended 30th June 1922 and was approved and adopted both in the Board and in the First Ordinary General Meeting. The shares were bought at Rs. 6-12 and it is stated that the present market value is Rs. 7-12 a share of Rs. 10 face value. "Where the directors have a discretion and are bona-fide acting in the exercise of it, it is not the habit of the Court to interfere with them" (Gresham Life L. R. 8 Ch. 449 Palmer's Company Law 194) The petitioner's contention seems to be however that clear words are necessary in the memorandum to enable a Company to take shares in another company and that in the absence of such words in the present case, it was illegal for the Bank to take shares in the Industrial Bank of Western India. Clause (O) para 3 of the Memorandum of Association in the present case seems to be exactly the one given as a model in Palmer's company precedents Form 40 at page 488 (12th Edition), and is held to be sufficient to confer the required power, the power to acquire and hold shares *being implied* from the nature of the Company's business. It does not seem to me that in the investment made by the Directors, and approved and adopted by the shareholders, they have committed any act justifying the Court to make a compulsory winding up order.

Fifthly it is urged that the Managing Director has been acting *ultra vires* by doing acts which would result in the commercial insolvency of the Company. As example, it is alleged that large loans have been granted without adequate security and without proper sanction of the Board, that resolutions of the Board have not been given effect to, and that the heads of the Sundries under expense is manipulated in an objectionable manner. The opponent denies the truth of every one of these allegations. He also contends that the allegations are too vague and indefinite, and refer to the internal management and are not open to question. The petitioner's contention is that the Bills discounted by the Bank create a contingent liability to the extent of 2½ lacs and the unsecured debts are more than 4½ lacs, and the opponent's management is leading the Company to commercial insolvency. I have carefully perused the petition. The petition does not allege that the company is commercially insolvent, that is, it cannot meet the current demands. The latest balance sheet filed by the parties does not indicate that the Company is in such hopeless condition that its assets are insufficient to meet the existing liabilities and its business is carried on at a constant loss. The petitioner *merely alleges* that the management of the present Managing Director would result in the commercial insolvency of the Company. In detailing the acts of mismanagement he has furnished no specific particulars regarding indiscriminate loans, or resolutions ignored, and the manipulation of accounts. "Mismanagement or misapplication of the funds on the part of the Directors will not give the Court authority to wind up the Company until it has produced insolvency" (See Buckley P. 306).

Lastly the petitioner alleges that a considerable portion of the preliminary expenses has not been wiped off and that the Company has not paid any dividend or raised any reserve fund. The opponent states in reply that 25,000 Rupees has been wiped off out of the nett profits in July last and that as the Bank has not been in existence even 2 years after the Statutory meeting it is too early to pay a dividend or raise a Reserve Fund. These facts themselves do not seem to be sufficient to order the winding up. No authority has been cited for the proposition that the Court should wind up the Company if dividends are not declared or a Reserve Fund is not raised. (On the contrary the decision in 39 All. 335 seems to be against this contention.)

On a perusal of the whole petition, it seems clear that the allegations refer to the management of the Company's affairs. The matters are such that a court will not interfere with. It was observed by Jessel, M. R., in *Re Langham Skating Rink, Co.*, "A power of this kind is not to be acted upon unless there is a very strong ground for acting upon it, and for this reason that these companies are governed by a majority of their own members and when there is a domestic tribunal which has power to decide upon a question it should, if possible, be left to that domestic tribunal. The act creates, between the shareholders, a domestic tribunal for the management of the affairs of the company and the Court should not in the absence of some strong ground withdraw from that tribunal the decision as to whether the Company's business shall be carried on". The law is accordingly stated in *Palmer's Company Law* thus:—"The Act establishes a domestic tribunal between the members and the company and thus enables the members themselves, by passing the requisite resolutions to determine whether there shall be a Voluntary liquidation or whether the Court shall be asked to make a compulsory order. Accordingly a contributory to obtain an order must make out a special case. Mismanagement by Directors is not a ground for a shareholder petitioning; he should call a meeting." These principles have been followed by *Pioneer Bank, Ltd.*, *Chunniram Valliram*, 39, Bombay, 16, in *re.*, the matter of *Mahamandal Shashtra Prakash Samity, Ltd.*, (39 All 342) and in *Oriental Navigation Co., Ltd.*, *V. Bhanaram Agarwalla*, 49 Cal. 399. In the first of these cases, Macleod, J. says "the allegations in the petition all relate to internal management or rather mismanagement of the Company's affairs and that is a matter for the shareholders to deal with. It is not a matter that would call for interference by the Court. A petition by a shareholder stands on a different footing to a petition by a creditor. It should be more clearly scrutinised on presentation". Taking all the circumstances discussed above, and the law into consideration, it does not seem to me that the allegations in the petition do disclose sufficient ground for the Court to make a compulsory winding up order. This petition is accordingly dismissed with costs. (Advocate's fee is Rs. 30.)

(Sd.) G. SREENIVASA IYER,

District Judge,

17th May 1923.

MEMO OF COSTS INCURRED BY THE PARTIES IN MIS. NO. 68 OF 1922—23.

By petitioner. By opponent.

Court fee on Mis. Petition	....	0	8	0	0	0	0	0	0
Other applications	....	1	0	0	0	0	0	0	0
Vakalath	....	0	0	0	0	0	8	0	0
Processes	....	1	8	0	0	0	0	0	0
Publication charges	....	20	0	0	0	0	0	0	0
Advocate's fee	....	0	0	0	0	30	0	0	0
Total Rs....		23	0	0	0	30	8	0	0

The amount of costs payable by the petitioner to the Opponent is Rupees 30—8—0 only.

(Sd.) G. SREENIVASA IYER,
District Judge.
 (TRUE COPY.)

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
NO. C. 29/27-28
ENCL. 2 + 1 file

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore... 6th June 1927.

FROM

S. P. Rajagopalachari, Esq., B.A., B.L.,

~~XXXXXX THE XXXX KARAJAXKXER XXXX~~

Registrar of Joint Stock Companies in Mysore.

To

N. Rama Rao, Esq., B.A., B.L.,

Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
Bangalore.

Sir,

g. s. 14-26-16.

With reference to Government Memo No. 6818 dated 17th February 1927 and in continuation of this office letter No. C. 48/27-28 dated 12th April 1927, I have the honour to forward therewith, copy of letter dated 16th May 1927 together with the its enclosures in original received from Dr. C. S. Rama Rao, Ripon Pharmacy, Bangalore City, requesting that the needful may be done in the matter of investigating the accounts of the Mysore Industrial Bank Limited, by a competent authority with the help of the Committee as suggested in his letter.

(2) Section 139 of the Mysore Companies Regulation says that the application should be supported by such evidence as the Government may require for the purpose of showing that the applicants have good reasons for and are not actuated by malicious -- motives in requiring the investigation. The objects of the applicants in asking for the investigation are made clear from the note of Mr. K. Narayanaswamy Iyer which was placed before the meeting of the shareholders held on the 27th March 1927 (vide enclosure to this office letter referred to above).

(3) An application has also been received from Mr. K. S. Jayarama Iyer, High Court Vakil, Madras, who is the Counsel for Mr. Manickavelu Mudaliar (vide copy of his letter dated 18th May 1927 herein enclosed) in which it is stated that Mr. Salumchand and certain others who are defaulters in respect of their calls have

started a campaign of villification against the Bank and that the application for the appointment of an Inspector has been got signed by making misrepresentations. It is also stated that criminal and Civil suits have been filed against Mr. Salumchand by the Bank and that one Mr. K. Narayanaswamy Iyer has filed a petition in the District Court for the winding up of the Bank.

(4) As the application for the appointment of an Inspector is supported by one-fifth of the number of shareholders as required by Section 138 of the Regulation, the question as to the further action to be taken has to be considered. In view, however, of the legal proceedings that have been reported to be instituted for the winding up of the Bank, it seems ^{to me} to be desirable to postpone taking action under Section 138 till the Judicial proceedings are over. The judicial enquiry will be of a comprehensive nature and in case the Court passes a winding up order there will, obviously, be no necessity for the appointment of an Inspector. If Government agree with this view, I would suggest that further action on this application may be deferred till the winding up petition is disposed of by the Court. I shall submit a further report to Government after its disposal, regarding this application.

I have the honour to be,

S i r ,

Your most obedient servant,

S. Majumdar

R E G I S T R A R .

HR

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Copy of letter dated 18th May 1927 from Mr. K. S. Jayarama Iyer, B.A., B.L., High Court Vakil, Care of the Mysore Industrial Bank, Limited, Ahamed Buildings, Chikpet, Bangalore City to the Registrar of Joint Stock Companies in Mysore, Bangalore.

I have been requested by the Mysore Industrial Bank, Limited, to bring to your kind notice the following facts:-

One Mr. B. F. Salamchand, a Shareholder of the Mysore Industrial Bank, Limited, appears to have addressed the Government and the Registrar of Joint Stock Companies on 29th February 1927 to order an investigation into the affairs of the Bank. I also understand that the Registrar has ordered that "the application for the appointment of an Inspector should be signed by members holding not less than one-fifth of the shares issued". In accordance with this order, the said Mr. Salumchand is circulating certain notices and forms for the signature of Shareholders.

I wish to state that Mr. Salumchand is not only a defaulter in respect of the-third call on his 1085 Shares but also owes a further sum of Rs.26,000/- and odd to the Bank for moneys lent on pronotes. As the Bank has been compelled to file a suit against him for the recovery of part of the amount lent, he is evidently attempting to wreck the Bank by all kinds of questionable and illegal actions. The said Mr. Salumchand was a Director from the very inception of the Bank till about April 1925 when he resigned. The affairs of the Bank, as a reference to the Balance sheets will show, is in a very prosperous condition. The said Mr. Salumchand has joined certain malcontents who are also defaulters in the Bank and in order to avoid paying their calls they have started a campaign of villification of the Bank about which a complaint of defamation by the Bank against the said Mr. Salamchand is still pending in the Court of First Class Magistrate, Cantonment. The said Mr. Salamchand is

now duping a number of people by making them sign a petition on misrepresentations and it is doubtful whether many of the signatories of shareholders have understood the petition at all. There is also a petition to wind up the Bank which is pending in the District Court, Bangalore, by one Mr. K. Narayanaswamy Iyer. The said Mr. Narayanaswamy Iyer filed a similar petition some time ago which was summarily dismissed. The said Mr. Narayanaswamy Iyer is practically an alias for the said Mr. Salamchand as the notices issued broad cast by the said Salamchand show.

It is therefore absolutely clear that the petition now presented to the Government to appoint an Inspector of its origin entirely to the said Mr. Salamchand and is conceived in hatred and ill-will. The object is merely to coerce the Bank to come to some terms with these defaulters. It may be mentioned in this connection that a communication has been addressed by the Managing Director of the Bank to the Government to appoint a Committee to go into the details of the working of the Bank.

S. Narayana

Registrar.

Bangalore City.

16th May 1927.

119

From

Dr. C. S. Rama Rao,
Ripon Pharmacy,
Chickpet, Bangalore City.

To

The Registrar of Joint Stock Companies
in Mysore, Bangalore.

S i r ,

In reply to your Memo No. ^{Me.} 29/27-28 dated 6th April 1927, I beg to forward herewith the application signed by more than one fifth of the shareholders (Viz., 11110) of the Mysore Industrial Bank, Limited for your kind acceptance and doing the needful in the matter of investigation of accounts by a competent authority with the help of the Committee as suggested in my letter.

Hope you would in the interest of Shareholders expedite the matter.

I beg to remain,

S i r ,

Your most obedient servant,

Sd/- C. S. Rama Rao.

Encl. Moff. 38 = 3155

Mysore and
Bangalore. = 7955

11110

"C O P Y"

J. M. A. S. R.

Registrar.

HR

Diary No. of letter replied to

General and Revenue Secretariat

()
the 192

Date of issue.....

Signed by.....

List of enclosures.....

Copied by.....

Examined by

Section 8.

File No. 14-26.

Serial No. 19

No. D. 1657 8/11/83

To

The Registrar of J.S. Co.

Sir.

With reference to your letter
No. C 29/27-28 8.6.27 forwarding
Copy of letter 5.11.21 together with
its enclosures received from Dr. C
Rama Rao, I am directed to
state that ^{as} further action was
taken after the proceedings in
Civil Court are concluded. The
action taken may be kindly
reported to his office.

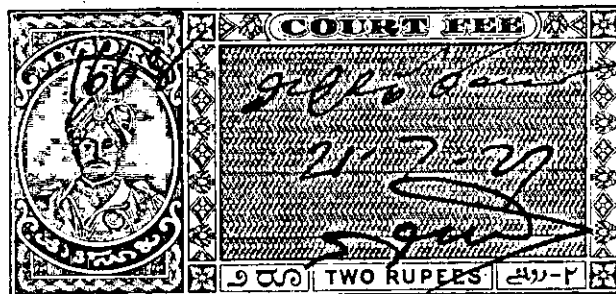
I have etc.

1.7.27

VS

For Secy

1178
GEN. & RE
10 A 3. 1927
DEVELOPMENT BRANCH



121

Before the Government of H.H. THE
Maharaja of Mysore.

Petition Box

Petition of 1927-28.

Appt.

Hajee Zackari Sait

Being the required number of subscribers (1/5)
The Applicants have made an application under
S.138 of the companies Regulation praying for
the appointment of an Inspector to inquire into
and investigate the affairs of the Mysore Indus-
trial Bank Limited., Ahmed Buildings, Bangalore &
City, with regard to ~~the~~ the allegations of
mismanagement made in the petition, They ~~request~~ that
they may be heard ~~then~~ through counsel and an ~~or~~
order on their application passed at an early date.

*Dr
Mr
10-8
Submitted
file
my*

2. The applicants respectfully subjoin a
short note relating to the matters requiring ~~the~~
investigation and submit that the circumstance
the an application for winding up is pending
before the court may not be permitted to post-
pone ~~any~~ any appointment of an Inspector,
if they should succeed in making out a case for
such an appointment.

Hajee Zackari Sait
Hajee Zackari Sait

Bangal----

21-7-27.

NOTES.

Points for kind consideration.

1. Preliminary expenses as finally estimated, Rupees 50,281-1-7, are double the original estimate Rupees 25,000/-, while the subscribed capital bears no comparison to the issued capital or the nominal capital. They have been misappropriated and used for several purposes which cannot be called preliminary expenses.
2. The required number of shares for going in to allotment were not forthcoming and a number of shares to make up the required number were nominally allotted to several persons. These are all fictitious. 'Extra holdings' of shares are all of this nature.
3. Failure of Mr. Manikavelu Moodr. to purchase or sell 50,000 shares within 1 year of 1-1-21, as per agreement of 21-11-20, has rendered the conditional allotment illegal.
4. The Company had started business before obtaining a certificate for the purpose; for "Sundry - Accounts" were opened to carry loan transactions to help would-be shareholders, including directors, & ~~to~~ to take shares - Some of the Directors have not paid even their allotment moneys: several directors have paid allotment amounts from the capital of the bank.
5. The loan transactions are all fictitious: ~~They~~ They are really given to would-be shareholders to enable them to purchase shares and to the shareholders for paying up the allotment and call amounts; not for any bonafide purposes of industry, trade, commerce or banking.

6. The calls are improperly made, allowed to get barred and discriminated in favour of some or against others. Preference is shown to the directors in this behalf.
7. The interest of the directors in the underwriting commission was suppressed in the prospectus - Rs.41,140/- out 46,838 paid as commission has been appropriated by the directors.
8. The company is buying and selling its own shares, the money being advanced by the Bank and the Managing Director appropriating the commission. The shares are unsalable anywhere.
9. Dividends are paid out of capital: interest is not realised in cash but added on and renewed as principal.
10. The company has invested in un-approved securities and created liabilities which it cannot meet, including Rs.42,750 on 475 shares of the Industrial Bank of Western India Ltd.,
11. The company has no reserve fund.
12. The company cannot make any further calls except in a winding up. Because, Rs.50, is a reserved liability: Subsequently, another 25 was so reserved by a special Resolution of the Bank and the remaining Rs.25 has been called; even of this amount, a great deal has been allowed to be barred by time.
13. The alleged cash on hand, at Bankers is practically nil.
14. The company has no current account or deposit except what belongs to Mr.V.Manikavelu Moodr:
15. The company transacts no business with the public in general.
16. The Company's assets are all bad debts, which have to be written off; and what little is good is being expended on litigation in courts.

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17. The transfer Register does not represent an accurate state of facts. Even when the transferor has severed his interest ~~and the~~ and the transfer is accepted by the Bank, he is still shown as holder of shares on the Register. Shares of defaulters have been allowed to be transferred without taking call amounts.

18. It is impossible for a general meeting of the Bank to set right these matters as 3/4 majority would be required for the purpose while Mr.V.Manikavelu Moodr., his wife Kuppammal and his Son Mr.V.-Sundaramurthy hold 17,000 ordinary shares and 1,200 Founders shares, between themselves.

19. Director after director has resigned in ~~disgust~~ disgust. The preponderating influence of the Managing Director makes it impossible for any other except ~~to~~ his associates to work. Even Mr.Hajee Ahmed Sait ~~to~~ and Netkalappa resigned, and in their place, two more of his friends who also are heavily indebted and on the verge of insolvency have been put in. The Managing Director is heavily indebted to the Bank as also his wife and his son. His concern The Mahalaxhmi Woolen Mills is indebted. ~~to~~ T.L.Setty is an undeclared bankrupt and he owes a lakh to the Bank. P.Thangavelu Chetty and C.B.Desai are also debtors to the Bank. These are all the present Direct

~~ors.~~ *The Bank has legally no existence as directors to make up a quorum were nominated after the application for winding up in Court.*

20. The Bank is commercially insolvent and in the interests of the shareholders a full investigation is necessary.

21. The establishment expenses approximately come to Rs.700/- to 800/- per month, and that amounts ~~to~~ the figure of say Rs.8,000/- ~~xxxxxxx~~ to 10,000/- per ~~xxxx~~ annum as the number of workmen employed in the Bank are 1 accountant and ^{a few} clerks &c., in

in all not more than 10 in number. But Balance ~~✓~~ sheets show the figure to be not less than 30,000/- which is ~~xxxxxxxx~~ fictitious.

22. The M embers who have taken shares in the ~~xxxxxx~~ Mahalakshmi Woollen Mills who were ~~xxxx~~ unable to pay their respective shares amounts, were granted loans from the Bank just to meet their shares in ^{the} ~~✓~~ above Mills, in which Mr. V. Manickavaloo Moodr has a proprietary interest and such loans are unrecoverable.

23. An enormous amount of loans have been granted to parties without any substantial security &c., quite contrary to the Rules of the Memorandum of Association of the Bank (a)para(1) and it has caused a neavy loss.



In the Court of the Government of the Madras Presidency
Case No. of 19 2

Hajee Jahangir Tahir

Vs.

I/we the petitioner above named do hereby nominate and appoint **Mr. S. SRIKANTAIYA**, B. A., B. L., Advocate, in the above suit and I/we do hereby empower the said Advocate to appear for and on my/our behalf in the above suit, to take all steps which may be necessary on my/our behalf arising out of or in connection with the above suit either during its progress or after its decision, to sign and subscribe his name to any document which he may deem proper, to execute any decree that may be passed in my/our favour and to receive out of the said Court any refund or money which may be lodged or become payable or receivable on my/our behalf and on receipt thereof to grant receipt or other sufficient discharges for the same, to with-draw, compromise or refer to arbitration the said suit, to appoint one or more substitute or substitutes and to act and perform all other matters and things relating to or connected therewith to represent me/us in matters relating to the same and to act as fully and effectually to all intents and purposes as I/we might do if personally present and did the same. And I/we do hereby agree to pay all fees, costs, charges and expenses which may be incurred and to allow, ratify, and confirm whatsoever the said Advocate shall lawfully do or cause or procure to be done by the virtue of these presents.

In witness whereof I/we have hereunto set my/our hand

this 21st day of July 1927.

ACCEPTED

S. Srikantaiya

Hajee Jahangir Tahir

B. F. SALUMCHUND

Banker, Agent and Army Contractor,

BRANCH

7486

By Registered

3 Car COMMERCIAL STREET,

Trinapattinam
Bangalore 5th March 1929

The Secretary to the Government of his Highness
The Maharaja of Mysore
Development Department Bangalore.

I have the honor to inform you
that I made an application to your highness
government since two years back, having got the
signatures of the 45 of the share holders of the Mysore
Industrial Bank as required under the Companies
Act. No. 6817 dated 17th Feb 1927.

The bank has now issued a circular for the
forfeiture of the shares. I am sorry to inform your
highness, that your highness government
has not taken any action till now. I therefore
request your highness to consider the application
on behalf of the share holders benefit and
see that the bank does not forfeit the shares,
for if the bank forfeits the shares the shareholders
will suffer heavy losses and will lose their
positions. Under these circumstances it
is highly necessary that your highness

Flag's

B. F. SALUMCHUND,

Banker, Agent and Army Contractor,

3, Car

COMMERCIAL STREET.

28th Contd

Trinapattinam
Bombay 5-3-1929.

Government interferes in the affair and take immediate action on behalf of the shareholders benefit and relieve them of their mental distress. On behalf of the shareholders, I take this opportunity to request your ~~highness~~ to take such an action on behalf of the shareholders and give them immediate relief in the matter.

I beg remain,
Sir,

Your most obedient servant
B. F. Salumchund

Diary No. of letter replied to.....

General and Revenue Secretariat
()
the 192

Date of issue..... 28/8/29

Signed by Mr. C. N. Murti

List of enclosures.....

Copied by.....

Examined by.....

Section J. S.
File No. 14-26
Serial No. 22

No. D9262 / Lucur

To The Registrar Of Joint Stock
Companies

Sir,

In forwarding herewith, a copy of letter of the 5th March 1929 from Mr. B. F. Salun-Chand in the matter of the forfeiture of the shares held by the share holders in the Mysore Industrial Bank Ltd., I am directed to invite your kind reference to this office letter No. D 1657 / J. S. 14-26-19 of the 11th August 1927 in the matter and to request you to be so good as to expedite the submission of the report ^{on the} ~~of~~ action taken by you.

Dated, Bangalore.....1929.

S. P. Rajagopalachari, Esq., B.A., B.L.,
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Registrar of Joint Stock Companies in Mysore.

J.S. 14-26-23

15/12/29 N: Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development
Departments, Bangalore.

S i r ,

With reference to your letter No.D 1657/J.S.14-26-19 dated 11th August 1927 stating that further action on the application of the shareholders of the Mysore Industrial Bank, Ltd., may be taken after the proceedings in the Civil Court are concluded, I have the honour to state that the District Judge, Bangalore Division has in his letter No.5340/967 dated 25-2-1929 intimated to this office that the case against the Bank was dismissed on the 7th last month as the petitioner Mr. K. Narayanaswamy Iyer did not press his application but applied for its withdrawal.

(2) The discretion to appoint or refuse to appoint an Inspector is vested in Government under Section 138 of the Companies Regulation. Final orders have therefore to be passed by Government. My opinion is that the prayer of the applicants for the appointment of an Inspector may be rejected on the following grounds:

(i) The Civil suit for the winding up of the Bank where all the points complained of could have been exhaustively raised was not pressed but was withdrawn, it may be inferred therefrom that the petitioners had perhaps no strong case.

(ii) The applicants also could have raised all the questions in a general meeting of the Bank but apparently most of them being defaulters in respect of calls on their shares could not attend the meeting as per Articles of the Bank.

(111) the materials placed before us do not show any bonafide motives on the part of the applicants and on such slender materials it is not desirable to allow the credit of a Banking concern to be shaken by the appointment of an Inspector by Government.

I have the honour to be,

S i r

Your most obedient servant,

S. P. Majagana

Registrar.

SUBJECT.....

132 ✓

Diary No. of letter replied to.....

Section J. S.

File No. 14-26,

Serial No. 28

No. D. 12084

General and Revenue Secretariat

()

the

192

To

The Registrar of J. S. Co.

Date of issue.....

21.5.29

Sir,

Signed by

Mr. B. Noronha

With reference to your letter No. 29/27-28, D. the 22nd March 1929 re the appointment of an Inspector to investigate the Affairs of the Industrial Bank Ltd Bangalore City, I am directed to convey ^{my} approval of your proposal ^{to reject the request} ~~that the proposal~~ of the applicants ~~for the appointment of an Inspector~~ ^{as per 142 of the Companies' Reg.} ~~may be rejected and~~ ~~State~~ that the Share holders may ~~by a Special resolution~~ appoint Inspector to investigate the Affairs of the Company

List of enclosures.....

Copied by.....

Examined by.....

over

~~at that~~ the intervention of Govt
not desirable especially when the case
against the Company has been
dismissed

I have etc

cc
11.5.29

KK

14.5.29

for Secy to Govt
Per Sept.

S.D.
3/5

C.B.R.

3/5

GOVERNMENT OF MYSORE.

IN REPLY PLEASE REFER TO
NO. C. 79/29.30.
ENCL.

134
REV. SECRETARY
9708
15 MAY 1929
DEVELOPMENT BRANCH.

Office of the Registrar of Joint Stock Companies
in Mysore.

Dated, Bangalore.....13th May.....1929.

FROM

15529
C. 15/5
S. P. Rajagopalachari, Esq., B.A., B.L.,
~~XXXXXXXXXXXXXXXXXXXX~~
Registrar of Joint Stock Companies in Mysore.

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
Bangalore.

S i r ,

With reference to Official Memorandum No.D11447/J.S.
14-26-26 dated 4th May 1929, forwarding Mr. H. Recupchand Bapnah's
petition, I have the honour to invite reference to my letter No.
C29/27-28 dated 28-3-1929 wherein I have dealt with the question of
the appointment of an Inspector.

I have the honour to be,

S i r ,

Your most obedient servant,

G. Rudrapna

Assistant Commissioner,
for R E G I S T R A R
of Joint Stock Companies
absent from station

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 28/6/1929

No.

To

ENDORSEMENT.

M. H. Deupchand Babrah

Banker Robertson & Co. K.G. 7.

7th Xth (linked M)

In continuation of this Office Endorsement No D 11448/8.S. 14-26-27 of the 4th May 1929, he is informed that his petition for the appointment of an Inspector to investigate the affairs of the Mysore Industrial Bank Ltd Bangalore, is rejected. And that Gov see no reason to interfere in the affairs of the said Bank.

For Order

Cu
20.6.29

For Secy to Gov

Secy Secy